

# CANADA IN WORLD AFFAIRS

THE PRE-WAR YEARS

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## PREFACE

ONE of the purposes to which the research work of the Canadian Institute of International Affairs has been chiefly directed is the study and interpretation of the international relationships of Canada. In 1938 three volumes were published on different aspects of the subject: two under the auspices of the Institute, *Canada Looks Abroad* by R. A. MacKay and E. B. Rogers, and *Canada Today* by F. R. Scott; and the third, *Canada and the Law of Nations* by N. A. M. MacKenzie and L. H. Laing, by the Carnegie Endowment for International Peace. Each, in its own field, was a pioneer enterprise, and each, therefore, necessarily ranged over a long period. It is on the foundation established by these books that the series on *Canada in World Affairs*, of which the present is the first volume, will be built. It is proposed that each volume will cover about two years, and provide for that time a record of the principal external relationships of Canada.

Canadian problems and policies of the immediate pre-war years were fixed in a setting of world disillusionment and of discouragement that was close to despair. Even the most hopeful observer could hardly discern indications of lasting economic well-being or political stability. The splendid hopes of 1919 were all but shattered, and bankrupt statesmanship wavered between frantic cures and apathetic inaction. Eyes that once looked for the promise of peaceful internationalism were now fearfully turned toward the violent nationalism of the increasingly powerful dictatorships. In economic self-sufficiency, in political alliances, and in increased armaments the once-triumphant allies followed unwillingly and half-heartedly the path firmly trodden by the fascist states. The phrases of the post-war years lingered unconvincingly in the speeches of what were all too obviously the pre-war years. Security—economic and political—was the goal of the democracies: the means of reaching it were painfully uncertain.

The spirit of those years is clearly mirrored in this narrative of the making and operation of Canadian policy. It is a record which is of interest not only as a guide to the affairs of this country as such, but because the Canadian point of view arose out of an unusual set of circumstances. A small power, but of enormous area; a junior but not subordinate partner in a great empire; and, though consciously a North American state, Canada had, of all the powers on this continent, the closest links with Europe.

The history of international relations generally in this period has been written by many other hands, and it is not at all the aim of this volume to cover the ground again. Assuming a knowledge of the subject as a whole, the authors here examine certain aspects of Canada's place in the story. In the section on Politics the emphasis is on the Canadian attitude and response to the successive crises of the years 1935 to 1939. The author of Part II, on Economics, has confined his examination more closely to the two years preceding the outbreak of war and particularly to the trade agreements to which the Dominion was a party. In Part III matters relating to international law which occurred during this period are examined. The final section, of Documents, consists of speeches, Acts of Parliament, and orders in council which provide source material for the earlier chapters. None of the sections is intended to be an exhaustive or complete record of the external relations of Canada; rather each author has chosen the themes, events, and documents he considers to be most pertinent to the subject. Only in this way could the volume be brought within reasonable dimensions.

It has not been thought necessary to include a bibliography since the footnotes reveal the principal materials available. Students who wish to find fuller bibliographies may consult the lists and reviews of books in the *Canadian Journal of Economics and Political Science* and the *Canadian Historical Review*. The latter also publishes a review article on "Canada and Foreign Affairs" in each June issue and on "Canada and Commonwealth Affairs" in September. In the *University of Toronto Law Journal* are also reviews of books and surveys of Canadian legislation.



Like all publications of the Canadian Institute of International Affairs the present one is made possible not only by the work of the authors and the secretariat but by the ready co-operation of other scholars. To all these the Institute expresses its thanks.

N. A. M. MACKENZIE

*Chairman of the Research Committee*

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PART I  
POLITICAL

*By*  
F. H. SOWARD



## I. FACTORS IN CANADIAN FOREIGN POLICY

International relations and domestic conditions continue to be affected by conflict, disorders, and tensions in different parts of the world.

LORD TWEEDSMUIR<sup>1</sup>

THE foreign policy of any country has been described by Mr. John W. Dafoe as "the sum of its attitudes towards external conditions and developments which impinge upon and affect the domestic situation". Such a definition implies a constant change of attitude and emphasis as the international kaleidoscope revolves, while stressing the importance of the basic domestic elements that necessarily alter more gradually. Of the truth of this definition Canada offers an excellent illustration. The Italo-Abyssinian War forced to the front not only the question of the extent of co-operation in enforcing League sanctions, but also the varying views of French and English Canada on the League, the Commonwealth, and British imperialism. The undeclared war which has raged in the Far East since 1937 compelled the Canadian government to re-examine its attitude towards the exclusion of Japanese immigrants, to consider its policy with regard to the export of war materials to an aggressor nation, and to watch closely its position vis-à-vis Great Britain and the United States. "Appeasement", as attempted in the Czechoslovak crisis, heightened isolationist sentiment, but also increased the desire of the imperialist<sup>2</sup> for

<sup>1</sup> At the close of the third session of the eighteenth Parliament, July 1, 1938.

<sup>2</sup> Professor R. O. MacFarlane has recently defined the imperialist as one "Prepared to follow the lead of Great Britain wherever it should go, because he believed that the long range interests of Canada could be served best by following such a course" (R. O. MacFarlane, "Canada's Prairie Provinces and the War", *Quarterly Journal of Inter-American Relations*, vol. I, Oct. 1939, pp. 79-84).

a united front policy with Britain. It made more pressing the question of armaments, and raised the issue of relaxing the drastic immigration regulations to aid the unhappy refugees who follow in the train of every Nazi victory. The Nazi determination to regain Danzig, a distant city of which Canadians knew almost nothing, brought Canadian troops to European battlefields for the second time in a generation. But before examining recent Canadian policy abroad, it is necessary to glance at the internal conditions which influence the framing of that policy.<sup>1</sup>

By virtue of her geographical location on the North American continent, Canada is still sufficiently remote from both Europe and Asia to feel comparatively safe while wars and rumours of war ravish those unhappy continents. Yet her people in the Maritime Provinces found it expedient to rehearse blackouts when the second Great War broke out, and had to give comfort and aid to fellow-countrymen who were survivors of the *Athenia*. The fortunate presence of such a powerful and friendly neighbour on her border as the United States prevents her isolation from having such dangerous possibilities as have forcibly impressed the Australian people. Periodically alarmists talked of the menace of aeroplane carriers suddenly appearing in Hudson Bay or painted horrendous pictures of repeated deadly raids in wartime upon our coastal cities, but expert opinion refused to become gravely concerned. This attitude was reflected in the Prime Minister's speech of May 1938, when he observed:

The talk which one sometimes hears of aggressor nations planning to invade Canada and seize these tempting resources of ours is, to say the least, premature. It ignores our neighbours and our lack of neighbours; it ignores the strategic and transportation difficulties of trans-oceanic invasion; it ignores the vital fact that every aggressor has not only potential objects of its ambition many thousands of miles nearer which would be the object of any attack, but potential and actual rivals near at hand whom it could not disregard by launching

<sup>1</sup> For a balanced and concise account, see H. N. Fieldhouse, "Canadian Foreign Policy" (*Fortnightly*, vol. CXLVI, n.s., July 1939, pp. 1-12).

fantastic expeditions across half of the world. The truth of this is recognized in every country. At present danger of attack upon Canada is minor in degree and second-hand in origin. It is against chance shots that we need immediately to defend ourselves.<sup>1</sup>

Though geography has given Canada an unusual degree of security, it has also precluded her from becoming a hermit nation. No nation could be such which stretches from the Atlantic to the Pacific, and which has along its entire southern border the greatest industrial nation in the world. Canadians, like their American cousins, may often be isolationist politically, but must be internationalist economically. To geography, also, must be attributed much of the preoccupation with domestic questions that has been so conspicuous in Canadian politics.

In area Canada ranks next to the U.S.S.R. and China, while offering greater problems of settlement than either of those countries. Because of the Rocky Mountains, the northern projection of the Appalachians, and the Canadian Shield, one of the oldest geological formations in the world, which covers about 65 per cent. of the country, there could never be the continuous westward movement of population which has been one of the prime factors in the making of the American nation. The Maritime Provinces, divided from the rest of Canada by the Appalachian Barrier, were settled separately from Ontario and Quebec, and looked dubiously "up Canada way" when the Fathers of Confederation performed their task of political legerdemain. Central Canada, containing the bulk of the population, is itself divided by the southern projection of the Canadian Shield, between Kingston and Brockville, and is separated from the Prairie Provinces by almost a thousand miles of bleak and barren country, quite unsuitable for large-scale settlement. Between the prairies and the Pacific rise row upon row of mountains that the

<sup>1</sup> *Canada, House of Commons Debates, May 24, 1938 p. 3179.* Hereafter cited as *Commons Debates*. (All extracts from, and references to, *Commons Debates* and *Senate Debates* in this book have regard to the revised edition.)

railway had to penetrate before British Columbia could be effectively linked with the rest of the country.<sup>1</sup> It is not surprising, then, that for a century there has been a steady pull in each of these regions southward across the American border, which has seriously retarded Canadian progress, and created some perplexing problems of migration. It is no mere accident that over 90 per cent. of the Canadian population is settled within two hundred miles of the American border. The effort to counteract this tug by creating an East-West axis, by lacing the country with webs of steel, and setting up Sir John A. Macdonald's "National Policy" in challenge to Henry Clay's "American System", has given Canada almost twice as great a railway mileage per capita as the United States. From differences on tariff policy there arose a sectional division of serious proportions between the prairies and Central Canada. Canadians have just awakened from the optimistic dreams of a generation ago, that the twentieth century was to be Canada's—dreams based upon the vastness of the country rather than on its utilizable capacity (which is generally now estimated as not more than 10 per cent. as far as settlement is concerned). Only recently have economists been taken seriously when they describe Canada as "a land of difficult geography, rather severe extremes of climate, endowed with natural resources vast in quantity, rich in quality, but limited in variety, with a relatively small population settled in half a dozen separated areas, each with its own distinct economic interest and outlook".<sup>2</sup> Or as an historian has written, "No people could have failed to make a great country of the United States. With Canada, however, every forward move

<sup>1</sup> In "Canada the Siren" (*Fortune*, vol. XVIII, Sept. 1938), the authors likened Canada to a country composed of "Maine, Ohio, Minnesota and the Dakotas, Washington, and Alaska, situated as they now are and with nothing between them but wilderness."

<sup>2</sup> K. W. Taylor, "The Economic Bases of Canadian Foreign Policy" (*World Currents and Canada's Course*, Toronto, 1937, p. 97). For a careful analysis of Canada's capacity for absorbing population, see W. A. Mackintosh, "Canada as an Area for Settlement" (*Limits of Land Settlement*, New York, 1937, pp. 58-88).

has been won by toil and sacrifice, every achievement has been a bitter victory."<sup>1</sup>

By virtue of her comparatively small population and the distribution of her natural resources, Canada has been compelled to build up an economy which depends upon the outer world. The effect has been to place her in the unenviable position of possessing what an American group of investigators described as "one of the most precarious economies in the world".<sup>2</sup> Canadians are naturally gratified that their exports per capita are surpassed only by New Zealand's, and that Canada was ranked fourth in world exports and fifth among the world's trading nations in 1939. In 1937 Canada was first in the world in exports of newsprint, paper, nickel, and asbestos, second in wheat, third in wheat flour and rubber tires, and fourth in automobiles and wood pulp. Canadians are a little dismayed when they begin to examine the implications of this success. The value of Canadian exports and the receipts from tourist traffic account for no less than 25 to 35 per cent. of the national income. Of the total production of the country one-third or more is designed for export trade, more than four times the American proportion. If drought curtails the wheat crop drastically, if the craze for self-sufficiency assumes almost continental proportions in Europe, if a world depression causes a sharp drop in the prices for raw materials and a serious shrinkage in the markets for finished commodities, and if there are fewer tourists with less money to spend, the effects are almost catastrophic for every Canadian. In the boom year of 1929, Canadian exports were valued at \$1,114,938,070. In the worst year of the slump, 1932, they dropped to \$534,978,120. By 1939 domestic exports were valued at \$924,926,000. For the years 1931-6, the income of the prairies showed a drop of over 50 per cent. as compared with the period 1925-30. Under such conditions, the strain of meeting interest charges on over \$6,000,000,000 of foreign

<sup>1</sup> A. R. M. Lower, "Geographical Determinants in Canadian History" (*Essays in Canadian History* ed. R. Flenley, Toronto, 1939, p. 234).

<sup>2</sup> "Canada the Siren", p. 41.

debt is almost intolerable.<sup>1</sup> Canadian economists prefer not to contemplate what might have happened, if President Roosevelt had not embarked upon his currency experiments and given the Canadian dollar relief and the Canadian gold-mine output a greatly enhanced price. From 1937 the rearmament drive helped to further recovery and bring exports back towards the billion dollar level, but the mark of the depression was still deeply imprinted on the country when war came again. That is why the importance of lower tariffs in international trade, rather than the use of tariffs to "blast their way into the markets of the world", was stressed by the present Canadian government. At the testimonial dinner in August 1939, on the occasion of his twentieth anniversary as leader of the Liberal party, Mr. King emphasized the importance of Canada's success in securing freer trade through the trade treaties of 1935 and 1938 with the United States, and the assistance given to the Anglo-American trade treaty negotiations in our consenting to a relaxation of the Ottawa preferences of 1932.<sup>2</sup> He then added: "I venture to say there is no enactment which has so pointed the way to the ultimate solution of world difficulties as these treaties." An economy geared to world trade must hope for steadily expanding commerce and a peaceful world. It must refrain from provocative gestures and far-ranging experiments. That is why American business men find Canadians cautious in outlook and conservative in experimentation as compared to themselves. Again to quote *Fortune*: "With a small population expensively scattered over an immense and largely inhospitable territory, with livelihood depending upon foreign trade, with the severe internal strains that inevitably result, you cannot reasonably entertain vast hopes and you simply cannot afford to rock the boat. Here is the essential contrast with the United States."<sup>3</sup>

<sup>1</sup> The gravity of this problem explains the prompt creation of a Foreign Exchange Control Board as soon as war came.

<sup>2</sup> It should be remembered that almost 80 per cent. of Canada's trade is with the United States and the United Kingdom.

<sup>3</sup> "Canada the Siren", p. 116.



Racially Canada is composed of three groups—those of British birth, those of French descent, and the “new” immigrants, mainly of the present century. The variations in their relative proportions may be seen from the following table showing the percentages at each census:<sup>1</sup>

	1871	1881	1901	1911	1921	1931
British . . .	60.55	58.93	57.03	54.07	55.40	51.86
French . . . .	31.07	30.03	30.71	28.51	27.91	28.22
Others . . . .	8.39	11.03	12.28	17.40	16.68	19.93

Those of British origin have dominated the country politically and economically since the fall of Montreal in 1760. Until very recently their numbers were constantly reinforced by the arrival of more British immigrants from the “Old Country”, as it was affectionately called, who helped to reduce the influence of the North American environment by refreshing the sense of oneness with their kinsmen. In British Columbia, for instance, the census of 1931 recorded more of British birth than those born in other parts of Canada. To the recent immigrant the call of blood was stronger in moments of crisis than to the native-born Canadian. A striking illustration of this was afforded in the first World War when 64 per cent. of the first Canadian contingent that went overseas in 1914 were found to have been born in the British Isles. In the past twenty years, however, Canada has not experienced anything like the same migration from Britain.<sup>2</sup> The decline in the rate of increase in Britain, the superior conditions of social security there, as compared to those in the Dominions, and the unwillingness of Canada to accept even British settlers, save under very rigid regulations, in the depression years reduced the flood of

<sup>1</sup> From F. R. Scott, *Canada Today* (Toronto, 1939), p. 14.

<sup>2</sup> British Emigration to Canada (war years 1916, 1917, and 1918 purposely omitted):

1906 . . . . .	141,786	1926. . . . .	49,632	1936. . . . .	2,049
1907 . . . . .	185,831	1927. . . . .	52,916	1937 . . . . .	2,264
1908 . . . . .	95,428	1928. . . . .	54,709	1938 . . . . .	2,972

On the trends of Empire migration generally, cf. W. A. Carrothers, *Emigration from the British Isles* (London, 1929), pp. 171-81; H. V. Hodson, *The British Commonwealth and the Future* (London, 1939), pp. 171-81.

British emigrants at the opening of the century to a mere trickle at the end of the thirties. The consequence was that Canadians were becoming more North American in their customs and folk ways.<sup>1</sup> When the first Canadian Division landed in England, in December 1939, English reporters commented that it seemed more Canadian and less British than its predecessors of October 1914. This North Americanization of Canadians does not necessarily mean that they automatically become more predisposed to follow the American leadership in world politics, as Mr. Lionel Curtis appears to think, but it does tend to create the same feeling of detachment from Europe (as distinct from Britain) and the same exasperation at the inability of Europeans to live peacefully together. When Miss Agnes Macphail (United Farmers of Ontario, Grey-Bruce) declared in the House of Commons in 1936: "I feel myself irritated by the continual animosity of Europeans. I find myself remote from those continual quarrels and I believe we all do—which is another way of saying that we live in the North American continent . . . I do not feel we can forever be rushing to Europe to save Europe from itself because that is what it always amounts to. I have, as I said before, lost patience with a continent that cannot evolve some sense of entity, that cannot manage its own trade and language and racial problems",<sup>2</sup> she was talking a language that Senators Borah and Nye could perfectly understand. Against this natural pressure of geography and custom must be placed the tendency to stress the British tie, as one proof of our being "different" from Americans,<sup>3</sup> which led one shrewd observer to feel that this emotion could readily be utilized in another crisis to heighten the attachment to Great Britain.<sup>4</sup>

<sup>1</sup> Cf. John MacCormac, *Canada, America's Problem* (Toronto, 1940), pp. 146-56.

<sup>2</sup> *Commons Debates*, 1936, pp. 679-80. Cf. also W. L. MacDonald, "Towards a Canadian Foreign Policy" (*Canadian Forum*, Aug. 1939, pp. 145-7).

<sup>3</sup> John MacCormac argues that "Canadian unity has been preserved partly by fostering a protective prejudice against the American idea" (*Canada, America's Problem*, p. 150).

<sup>4</sup> G. V. Ferguson, "The Propaganda Media in Canada" (Canadian Institute of International Affairs, *Canadian Papers*, 1938, Toronto, 1938).

With considerable justice the French Canadian regards himself as the only true Canadian, a belief unconsciously indicated by his description of himself as "canadien", and of those of British origin as "anglais". The fall of New France in the Seven Years' War and, of almost equal importance, the gulf between New France and Old France produced by the anti-clerical aspects of the French Revolution, separated him almost completely from Europe<sup>1</sup> and created an inward-looking loyalty which has no parallel elsewhere in Canada. As M. Léon Mercier Gouin told the Canadian Institute on Economics and Politics in 1937, "If we have to choose between the Confederation and our own nationality, we refuse to sacrifice the soul of our race either to the Dominion or the Empire".<sup>2</sup> M. Gouin should also have added "or to the United States", since, under the leadership of the Roman Catholic Church, the French Canadian has been urged to avoid Americanization, a warning to which he is less responsive in the urban centres but which has real weight in the rural parishes. As a group, the French Canadians have been conspicuous for a degree of localization unequalled elsewhere in the New World.<sup>3</sup> Cradled in the valley of the St. Lawrence, they have retained their strength there while the tides of immigration flowed past them, and have also spread slowly, like a drop of ink on a blotter, over the adjoining parts of Ontario and the Maritime Provinces. Thus, four eastern counties of Ontario, which were 35 per cent. French-Canadian in 1881, are now 54 per cent., and the French-Canadian population of New Brunswick was 33 per cent. of the total in 1931 as compared to 16 per cent. in 1871.<sup>4</sup> In 1937 the birth-rate for the whole of Canada was 19.8 per thousand, and the death-rate 10.2. For Quebec the corresponding figures were 24.1 and 11.3.

<sup>1</sup> R. Flenley, "The French Revolution and French Canada" (*Essays in Canadian History* ed. R. Flenley, pp. 45-67).

<sup>2</sup> L. M. Gouin, "The French Canadians, Their Past, and Their Aspirations" (*World Currents and Canada's Course*, Toronto, 1937, p. 124). M. Gouin was appointed to the Senate by the Liberal government in November 1940.

<sup>3</sup> See J. S. Huxley, A. C. Haddon, and A. M. Carr-Saunders, *We Europeans* (Pelican ed., 1939), p. 207.

<sup>4</sup> André Siegfried, *Canada* (London, 1937), pp. 61-4.

Such figures serve to explain why the French proportion of the population, which had dropped to 27.91 per cent. in 1921 from 31.07 in 1871, rose to 28.32 in 1931, and will increase still more with the decline of immigration. Based on the current birth- and death-rates, Professor Hurd estimates that in 1971 the French percentage of the total population will be 39.6 as against a British percentage of 38.9.<sup>1</sup> It is scarcely necessary to point out that the French Canadian is overwhelmingly isolationist in sentiment. Unmoved by any appeal of sentiment from either Britain or France, largely unaffected by the economic considerations that affect the English-speaking Canadian, uninterested in crusades for world order, the only external development which may deeply influence him is a threat to the position of his Church. Then his emotions can be played upon, as the Spanish Civil War demonstrated. But in general the French-Canadian position remains as described by M. Durant: "The French Canadian is a Canadian, nothing more. His rights stop at the boundaries of his territory, and he feels and believes that there, also, is to be found the limit of his duties."<sup>2</sup>

The foreign-born constituted 10.82 per cent. of the Canadian population in 1931. As 3.32 per cent. of these were of American origin, and rapidly became for all practical purposes a part of the British element of the population, the proportion drops to 7.5.<sup>3</sup> They have yet to affect Canadian foreign policy appreciably, except in a negative fashion, as in British Columbia. There the presence of 50,000 Orientals caused a demand for exclusion, which was successfully enforced against the Chinese in 1923 and is now being pressed vigorously against the Japanese. Assimilation is slow with compact ethnic

<sup>1</sup> Cited in R. A. MacKay and E. B. Rogers, *Canada Looks Abroad* (Toronto, 1938), p. 57.

<sup>2</sup> Quoted in Siegfried, *Canada*, p. 264. See also J. A. Stevenson, "Sectional Factors in Canadian Foreign Policy" (*Foreign Affairs*, vol. XVI, July 1938, pp. 669-72).

<sup>3</sup> But it should be noted that the total population of foreign descent constitutes 19.93 per cent. of the Canadian population. On the prairies, the Anglo-Saxon stock, including those born in the United States, is only 49 per cent. of the total, and 330,000 of the population of 2,400,000 were born in Europe.

group settlements such as the Doukhobors and sometimes the Ukrainians, of whom there were 190,000 on the prairies in 1931; but in general the New Canadians are eager to adopt Canadian ways and to maintain Canadian institutions.<sup>1</sup> This is especially true of the Scandinavian peoples, and was comparatively true of the Germans before the penetration of Nazi propaganda among them. These immigrants have been valuable pioneers in opening up new farming areas and in doing heavy work in the extractive industries. The census figures for 1931 showed that 31 per cent. of the gainfully employed males in Saskatchewan were of Central and Eastern European origin, and that almost one-third of the population of northern Ontario was of other than British or French origin. While these New Canadians do not co-operate with the French Canadians or take a lead from them in policy, they are naturally less moved by appeals to British traditions than those of British stock, and may therefore in time materially contribute to the further "North Americanization" of this country.<sup>2</sup>

That Canada is a hard country to govern has been the lament of almost every Canadian Prime Minister and the conclusion of more than one foreign observer. It is true that it has escaped the pitfalls of group government through the success of the two major parties, Liberal and Conservative, in retaining the loyalties of most of the people. The protest vote against the traditional parties did reach 24 per cent. in 1935, but was split among three groups who could muster less than thirty members in a House of 245. This discrepancy is partially explained by the fact that Canada has not employed proportional representation in her Dominion elections, with the result, for example, that the Liberals, who polled only 46.5 per cent. of the popular vote in 1935, captured almost three-quarters of the seats. It is estimated that each Liberal member represented only about 11,500 votes as against 33,400 for each Conservative and 48,000 for each member of the Co-operative

<sup>1</sup> See J. M. Gibbon, *Canadian Mosaic* (Toronto, 1938).

<sup>2</sup> See G. V. Ferguson, "The Prairie Provinces and Canadian Foreign Policy" (*Foreign Affairs*, vol. XVIII, Oct. 1939, pp. 70-9).

Commonwealth Federation party.<sup>1</sup> To maintain a national party over a country of so great an area and with such different sectional, economic, and racial interests requires a high degree of political skill, a willingness to compromise, and a tendency to avoid or to blur contentious issues. Over a generation ago an acute French observer remarked of Canadian political leaders that "They seem, however, to stand in fear of great movements of public opinion and to seek to lull them rather than encourage them and bring them to political fruition".<sup>2</sup> He would have no reason for changing his views when discussing Canadian statesmen in the troubled thirties when Canadian unity was more seriously disturbed than at any time since Confederation.<sup>3</sup>

Since the bulk of the Canadian population is in Central Canada, the two provinces of Ontario and Quebec return 147 of the 245 members of the House of Commons. Obviously, if either of the old parties can secure a firm grasp on the loyalties of one of these provinces, it has gone a long way towards attaining office. For over forty years this has been the good fortune of the Liberal party in Quebec, which affords it the same basic strength as the "Solid South" does to the Democratic party in the United States.<sup>4</sup> Ontario, with its economic structure founded upon protection and its imperialistic sympathies, normally returns a Conservative majority, but has a good many rural seats where the Liberals may appeal with some effect. In 1930 the Conservative party carried 60 out of 82 seats but the reaction against a "depression government" reduced its representation to 26 five years later. The Maritime Provinces are fairly consistently Liberal in outlook (1930 being an exception), but west of the Great Lakes neither of the old parties has ever won the traditional loyalties common

<sup>1</sup> Hereafter cited as the C.C.F.

<sup>2</sup> André Siegfried, *The Race Question in Canada* (London, 1907), pp. 142-3.

<sup>3</sup> See Violet Anderson (ed.), *Problems of Canadian Unity* (Toronto, 1938).

<sup>4</sup> Liberal representation from Quebec (65 members):

1908... ..54	1911 . .38	1917 . .62	1921... ..65
1925. . .61	1926 . .61	1930 .. ..41	1935.. ..60
1940.....64	(including Independent Liberals)		

in Eastern Canada, and third parties—Progressive, C. C. F., or Social Credit—appear with every difficult period of economic readjustment. So a party leader in Canada tends to be an opportunist who will appeal far more to sentimental party loyalties than to concrete policies. The infrequency of Liberal or Conservative national conventions is a sign of prudence rather than of sloth.<sup>1</sup>

The difficulties of Prime Minister Mackenzie King between 1935 and 1939 are an indication of the complexity of governing Canada, and a partial explanation of why his foreign policy has always placed first in importance the necessity of maintaining Canadian unity. He was the victor in an election which gave his party the greatest majority since Confederation. As against 180 Liberals and Liberal Independents there were only 39 Conservatives and 26 Social Credit, C. C. F., and Independent members. But his majority was composed of diverse elements. One-third of the Liberal members sat for French constituencies and, within a year of his success, the Liberal government of Quebec was replaced by a new party, the Union Nationale, which represented local nationalism and provincial rights in the most emphatic fashion.<sup>2</sup> The Liberal party was traditionally the low tariff party, but 92 of the 120 Canadian textile mills were located in Liberal constituencies, and the Cape Breton iron and steel area was entirely Liberal in representation.<sup>3</sup> The West, hit by drought and low wheat prices, returned over 30 Liberal members in 1935 who had to advocate low tariffs if they wished to continue to represent their constituents. The great depression had taught men to expect assistance from the government, but the decisions of

<sup>1</sup> In the last twenty years the Liberal party has held one national convention and the Conservatives two.

<sup>2</sup> That the defeat of the Duplessis government at the polls in October 1939 should not be interpreted simply as an emotional response to a patriotic appeal for Canadian unity, and support of the war, is claimed by F. R. Scott in "The Real Vote in Quebec" (*Canadian Forum*, vol. XIX, Dec. 1939, pp. 270-1). For contrary opinions, see Leslie Roberts, "What Happened in Quebec" (*Maclean's Magazine*, vol. LII, Dec. 1, 1939); The Letter by "Antonius" (*Saturday Night*, Dec. 23, 1939).

<sup>3</sup> Special Supplement, "The Dominion of Canada" (*The Economist*, Jan. 18, 1936, p. 18).

the Judicial Committee of the Privy Council in 1937 drastically curtailed federal powers, and destroyed the possibility of securing national unemployment insurance without an amendment to the B. N. A. Act.<sup>1</sup> Although Ontario had swung back into the Liberal fold, its Premier soon broke with the Dominion Prime Minister, and sporadically threatened to form a Quebec-Ontario axis which would defend the middle against both ends. As one political observer wrote acutely soon after the election, "Mr. Mackenzie King has in the past proved an expert in reconciling differences within his party, but perhaps within the next few years the differences between his followers will become so fundamental that no ingenious formula or bargain could reconcile them".<sup>2</sup> When, with reference to the European situation, Mr. King told his audience at the testimonial dinner in Toronto in August 1939, that "One thing I will not do, and cannot be persuaded to do, is to say what Canada will do in regard to a situation that may arise at some future time and under circumstances of which we know nothing",<sup>3</sup> he was merely applying in the field of foreign policy the tactics of caution and procrastination that every Canadian statesman has had drilled into him in the domestic arena.<sup>4</sup>

The external problems to which Canadian statesmen are more and more reluctantly obliged to turn their attention are derived in the main from Canada's membership in the League of Nations, its partnership in the British Commonwealth of

<sup>1</sup> This was secured in 1940.

<sup>2</sup> Escott Reid, "The Canadian Elections of 1935 and After" (*American Political Science Review*, vol. XXX, Feb. 1936, p. 119).

<sup>3</sup> See his statement at the time of the German reoccupation of the Rhineland: "the attitude of the government is to do nothing itself and if possible to prevent anything occurring which will precipitate one additional factor into the all important discussions which are taking place in Europe" (*Commons Debates*, 1936, vol. II, p. 1333).

<sup>4</sup> P. E. Corbett, "Public Opinion and Canada's External Affairs" (*Queen's Quarterly*, vol. XXXVIII, winter 1931, pp. 1-12). At the Conference on Canadian-American Affairs of 1935, Professor Lower of Winnipeg observed: "We are just beginning to realise in Canada that we ought to have a foreign policy. We have been a colony and have been accustomed to take our foreign policy ready made" (*Proceedings, Conference on Canadian-American Affairs*, 1935, Montreal, 1936, p. 212).



Nations, and its proximity to the United States. Canada joined the League of Nations as a charter member, sharing to a limited extent the mood of generous idealism reflected in the speeches of President Wilson, General Smuts, and Sir Robert Borden. But her government also believed that in so doing it was in step with both British and American policy and was likewise securing for Canada international recognition of the advance in status that had been granted at the Imperial Conference of 1917.<sup>1</sup> The League was not regarded as a paramount factor in furthering Canadian security against external aggression but rather as a meeting-place where discussion, negotiation, and conciliation might iron out differences. Well before Senators Borah and Johnson had discovered the iniquities of Article x, Sir Robert Borden had presented a memorandum to the Peace Conference urging that the offending article be omitted or materially altered. In the four Assemblies of 1920-3, Canadian delegates strove to convert others to their disapproval of the "dangerous principle of Article x", as the Hon. Charles Doherty (Conservative) described it, or of the "objectionable ambiguity" which the Hon. W. S. Fielding (Liberal) detected. A single vote from Persia blocked the interpretative resolution that their persistence finally secured, but did not destroy the effect of their attitude, which was referred to approvingly in a British memorandum on arbitration and security, five years later.<sup>2</sup> Canadian statesmen in Geneva were also quick to protest against any possibility of effective international control in economic matters. This was plainly seen when, at the first Assembly, the Hon. N. W. Rowell deprecated an inquiry by the League into the distribution of raw materials which Italy had proposed. Such an action caused Professor Toynbee to write later, in discussing the Italo-Abyssinian War, that the sin committed in 1935 must be shared in some measure by the whole of Western society including, "the contemporary

<sup>1</sup> Notice how Sir Robert Borden insisted upon Canada's right of election to the League Council although he had not expected that such a right would be made effective.

<sup>2</sup> For a brief description of Canadian policy at Geneva in the twenties, see F. H. Soward, "Canada and the League of Nations" (*International Conciliation*, no. 283, Oct. 1932).

Canadians whose gentle spokesman had inflicted at Geneva, in 1920, a diplomatic defeat upon the Italians' timid spokesman, Signor Tittoni".<sup>1</sup> On questions of arbitration Canadians were much more liberal in attitude and were ready five years before the British government to sign the optional clause of the statutes of the Permanent Court of International Justice. At disarmament conferences Canada was naturally ready to urge disarmament as a condition which she herself had already almost completely attained. It is also true that Canada favoured freer trade when such questions were raised in Geneva, and urged more liberal treatment of minorities while a member of the Council (1927-30), but in general Canada's voice was that of a power suspicious of international control, fearful of European commitments,<sup>2</sup> and more given to fine sentiments than to progressive policies. The epigram of M. Siegfried that "although collective security represents a conviction in so far as the Canadians are concerned, it is only a *conviction de luxe*",<sup>3</sup> has more truth than most *bons mots*. It is significant that this unwillingness to recognize the Abyssinian War as a test of the Rule of Law and the stress laid upon it as a matter of regional concern, passed almost unchallenged in the House of Commons. Only one member of Parliament has ever chosen to argue that Canada has peculiar qualifications for taking a leading part in League policy. He was the Rev. T. C. Douglas (C. C. F., Weyburn, Saskatchewan), who in 1936 introduced a motion urging upon the government "the necessity for sincere and complete fulfillment of all our obligations assumed under the Covenant

<sup>1</sup> A. J. Toynbee, *Survey of International Affairs, 1935* (London, 1936), vol. II, p. 3. It has been explained that Mr. Rowell was influenced by the belief that this was a proposal beyond the competence of the League which might also have disastrous effects upon the attitude of the United States.

<sup>2</sup> See Mr. King's rhetorical question in the House of Commons, early in 1936, in the debate on the Riddell episode: "Do hon. members think that it is Canada's rôle at Geneva to attempt to regulate a European war and to say what other countries are to do with respect to the manner in which a European war is to be carried out? I think it appalling to contemplate the possible consequences of ever such action being taken by any representative of this country in Geneva."

<sup>3</sup> Siegfried, *Canada*, p. 304.

of the League of Nations", while at the same time initiating proposals for the reduction of armaments, open diplomacy, and peaceful change. As he told his fellow-members: "I would remind the house that when we are talking about collective action some one has to initiate that action; that when the members of the League of Nations gather to decide what steps they should take for the maintenance of peace, somebody must propose the steps that should be taken. I submit that there is perhaps no nation represented at the council table of the league that is in a better position to initiate such steps than Canada."<sup>1</sup> Mr. Douglas gave his reasons for Canada's suitability for such a rôle: "We have no desire for colonies and no imperialistic dreams. We have no neighbours of whom we are afraid. Our relationship with our neighbours to the south stands a monument to peace and good will, and I suggest we are in a first class position to set up machinery which would give moral leadership to the nations of the world to the end that men of all races, colours, and speech ultimately may come to sit in the parliament of man and federation of the world."<sup>2</sup>

Canada's association with the British Commonwealth of Nations has gained for her the prestige of membership in a mighty empire, commercial advantages in her early history (and again since 1932), and traditions of justice, liberty, and self-government of which she is justly proud. It has also exposed her to the complications of power politics in all parts of the globe. The depth and reality of the sentimental bond were revealed in the enthusiastic reception given to Their Majesties during the Royal Tour of Canada in 1939, a reception which surpassed all expectations. To its success was even attributed, by the Premier of Saskatchewan, the cessation of such talk of secession from the Dominion as had spasmodically been voiced in that province.<sup>3</sup> And yet Canadian statesmen have more than once striven to avoid responsibility for British

<sup>1</sup> *Commons Debates*, 1936, vol. I, pp. 667-72.

<sup>2</sup> Yet, earlier in the session, Mr. Douglas admitted that the government "interpreted correctly the mind of the Canadian people, first when they decided the people wanted economic sanctions, and, second, when they correctly decided the Canadian people did not want to indulge in a world war" (*ibid.*, p. 126).

<sup>3</sup> Canadian Press despatch, Aug. 9, 1939.

policies unless Britain was vitally menaced. When the British government suggested in 1884 that Canada might co-operate in sending an expedition to the Soudan, Sir John A. Macdonald exploded in a letter to the Canadian High Commissioner in London: "The Suez Canal is nothing to us, and we do not ask England to quarrel with France or Germany for our sakes. . . . our men and money would therefore be sacrificed to get Gladstone and Co. out of the hole they have plunged themselves into by their own imbecility."<sup>1</sup> Fifteen years later Sir Wilfrid Laurier showed a similar reluctance during the Boer War, and was only driven to modify his position by the force of imperialist sentiment in Ontario. From 1896 to 1911 he was to be the "Everlasting No" at colonial and imperial conferences, blocking all efforts at forging a centralized Empire and a unified defence policy which, he feared, would impinge upon colonial autonomy. He was opposed to consultation on imperial foreign policy for fear it would create responsibility and draw Canada into "the vortex of European militarism". Sir Wilfrid believed in the maintenance of the Empire but never swerved from his claim as voiced in 1900 that "in future Canada shall be at liberty to act or not to act, to interfere or not to interfere, or to do just as she pleases, and that she shall reserve to herself the right to judge whether or not there is cause for her to act".<sup>2</sup>

When Sir Robert Borden became Prime Minister, he was more prepared to assume responsibility for advice requested and tendered, but was equally vigilant in preserving Canadian autonomy, as his efforts on behalf of Canadian control of the Canadian Corps in the Great War and his successful fight for separate representation at the Peace Conference demonstrated. In the policies of Prime Minister King, the heir to the Laurier tradition, whether during the Chanak crisis in 1922 or over the Locarno Treaty of 1925 or the Kellogg Pact of 1928, can be detected the same caution about imperial commitments and a greater insistence upon equality of status. Like Sir Wilfrid,

<sup>1</sup> Quoted in *Canada, the Empire and the League* (Toronto, 1936), p. 74.

<sup>2</sup> *Ibid.*, p. 75.

Mr. King also believed firmly that Canada must beware of external affairs imperilling the precarious unity of the Canadian people. This is well reflected in a remark of his made on March 23, 1936. "I believe", he said, "that Canada's first duty to the League and to the British Empire, with respect to all the great issues that come up, is, if possible, to keep this country united."<sup>1</sup>

The influence of the United States, as a mighty neighbour against whom armed resistance is impossible but with whom negotiation is not too difficult, can be seen at every stage since Confederation. Whatever their differences, English and French in Canada will agree with M. Bourassa that "there is not one single major problem of either internal or external policy which we can settle in Canada without reference to the policy of the United States". Painful experiences, such as the arbitration of the Alaska boundary dispute, led to the creation of the International Joint Commission which has proved to be a valuable example of international co-operation. It was to Washington that Canada sent her first diplomatic envoy, and with Washington that Canada signed her first treaty independently of the counter-signature of the British ambassador resident in the capital of the country with whom the treaty was negotiated. If it was Sir Robert Borden who told the British Empire peace delegation that "he wished . . . to make clear that if the future policy of the British Empire meant working in co-operation with some European nation as against the United States, that policy could not reckon on the approval or the support of Canada",<sup>2</sup> it was Mr. Meighen who pressed for the dissolution of the Anglo-Japanese alliance in 1921 as detrimental to good relations with the United States.<sup>3</sup> When the American government offered the Kellogg Pact as a solution to the problem of war the Canadian govern-

<sup>1</sup> *Commons Debates*, 1936, vol. II, p. 1333.

<sup>2</sup> David Lloyd George, *The Truth about the Peace Treaties* (London, 1938), vol. I, p. 199.

<sup>3</sup> J. B. Brebner, "Canada, the Anglo-Japanese Alliance and the Washington Conference" (*Political Science Quarterly*, vol. L, March 1935, pp. 45-58).

ment hastened to give its endorsement, and to include in its letter of acceptance no such reservations as appeared in the British note. Canada was among the first countries to enter upon a reciprocal trade agreement with the United States under the Roosevelt administration, and the favourable reception accorded by Canadians to the trade treaty of 1935 was in sharp contrast to the rejection of reciprocity in 1911.<sup>1</sup> President Roosevelt's "New Deal" was followed very shortly by Prime Minister Bennett's "New Deal", which experienced even less good fortune at the hands of the judges. Appropriately enough, the frontispiece of *Canada 1939*, the official handbook of present conditions and recent progress, was devoted to a series of reproductions of "New Bridges of Friendship and Understanding between 'Good Neighbours'". A border which is crossed at least thirty million times in a single year by the citizens of the two countries cannot become a barrier to friendly relations. Two peoples which, excepting in rural French Canada, speak the same language, including slang, which listen to substantially the same radio programmes, see the same motion pictures, read the same magazines, and receive many of the same news services, do not speak of each other as foreigners.<sup>2</sup>

It is such a Canada as this, constantly fighting geography for mastery, responsive to currents of world trade over which it has little control, faced with sectional differences created by race, economic interest, and geography, "too North American to take a stand on the Czechoslovakian issue; too British to take a part in the Pan-American Conference";<sup>3</sup> that moved uncertainly and with exasperating caution through the various crises that will be described in succeeding chapters.

<sup>1</sup> See L. N. Ellis, *Reciprocity 1911: A Study in Canadian-American Relations* (Toronto, 1939).

<sup>2</sup> See H. F. Angus (ed.), *Canada and Her Great Neighbor* (Toronto, 1938). On the Americanization of Canada's economic life, see J. H. Gray, "The Conquest of Canada" (*The Nation*, vol. CIL, Aug. 5, 1939).

<sup>3</sup> "The Balance of Forces in Canada" (*Manchester Guardian*, Jan. 13, 1939).

## II. 1935-6. CANADA AND THE ITALO-ETHIOPIAN CRISIS

Our country is being drawn into international situations to a degree that I myself think is alarming.

PRIME MINISTER MACKENZIE KING<sup>1</sup>

**I**N the Italo-Ethiopian crisis the Canadian public for the first time showed signs of awakening from its roseate dreams of living "in a fire-proof house far from inflammable materials".<sup>2</sup> The manner in which the crisis was prolonged for almost a year before war began gave the average Canadian a chance to form at least some conclusions about the merits of the case. The avowed determination of Signor Mussolini to have his own way "with Geneva, without Geneva, or against Geneva", and his curt rejection of conciliatory British gestures, as demonstrated by Mr. Eden's ill-fated visit to Rome, weighed heavily in the balance against Italy with English-speaking Canada. The believers in a collective system, who wished to see the principles of the Covenant upheld successfully in Africa, after their disappointing use in Asia, stood beside the imperialists who wished to back Great Britain, and the radicals who hated fascism and wanted to help a weak people struggling for its freedom. In the English-speaking press editorial opinion was almost unanimously against Italy and in support of the League.<sup>3</sup> In French-speaking Canada the situation was completely different. There were those of the older generation who had not forgotten the Boer War, to which Italian propagandists shrewdly pointed when analysing

<sup>1</sup> In the House of Commons, February 28, 1936.

<sup>2</sup> The famous phrase used by Senator Dandurand in describing the Canadian position during the debates on the Geneva Protocol in the League Assembly in 1924.

<sup>3</sup> See the summaries of Canadian press opinion published by the League of Nations Society in Canada in August, October, and December, 1935.

Anglo-Saxon "hypocrisy", and suspected another cunning move of British imperialism. Some leaders of the Roman Catholic Church saw no reason to support a League of Nations which many sincerely believed to have been the creation of Freemasons and atheists,<sup>1</sup> and which, they argued, was dominated in 1935 by Protestant Britain and anti-clerical France, at the expense of the home of the Papacy. The average French Canadian was frankly uninterested in the fate of a far-away, backward, black nation which would doubtless secure from Italy the blessings of a Catholic culture. As M. Jean Bruchési told the Canadian Institute on Economics and Politics in August 1936: "Canada did of course vote for sanctions, but if the Province of Quebec had had to make the decision alone she certainly would not have adopted the line of conduct which was actually followed. With practical unanimity our French-Canadian press refused to dissimulate its sympathy with Italy by reason of sanctions; and when Mr. Riddell, at the behest of London we may reasonably conclude [*sic*], demanded severer sanctions against Rome, there arose a veritable storm of protests."<sup>2</sup>

When the Liberal government came into office in October 1935, Canada had already been committed to the support of sanctions.<sup>3</sup> The first Canadian delegate at the League Assembly in September had declared that, failing an honourable and peaceful settlement of the dispute, "Canada will join with the other Members of the League in considering how, by unanimous action, peace may be maintained".<sup>4</sup> At the first

<sup>1</sup> Jean Bruchési, "A French-Canadian View of Canada's Foreign Policy" (*Canada, the Empire and the League*, Toronto, 1936, p. 143).

<sup>2</sup> *Ibid.*, p. 137.

<sup>3</sup> It should be noted that in a discussion of Canadian foreign policy in June 1937, at the Conference on Canadian-American Affairs of that year, Mr. J. W. Daffoe made the following comment: "He [Mr. King] came into office in October 1935, to find the country committed by the previous government—most reluctantly as people in the know are aware—to economic sanctions in the Ethiopian matter."

<sup>4</sup> Canada, *Documents relating to the Italo-Ethiopian Conflict* (Ottawa, 1936), p. 161. For a careful analysis of Canadian diplomacy in this dispute, see Gwendolen M. Carter, "Canada and Sanctions in the Italo-Ethiopian Conflict" (*Canadian Historical Association Annual Report*, 1940, Toronto, 1940, pp. 74-83).



meeting of the Committee of Eighteen, set up by the Assembly to direct League policy after the war began, Mr. Ferguson urged his fellow-delegates that they "show the world that the League was no longer to be scorned or laughed at, but that it meant business, and that when a breach of its Covenant took place it proposed to deal with the aggressor in the proper way".<sup>1</sup> When Dr. Riddell, the permanent Canadian delegate to the League, replaced him on the Committee he expressed a preference for a comprehensive scheme of economic sanctions and foreshadowed his proposal for a more thoroughgoing embargo on exports to Italy.<sup>2</sup> On October 29, within a week of its assumption of office, the new Liberal government issued a carefully worded statement,<sup>3</sup> explaining its attitude towards the crisis. While praising the League of Nations as an indispensable instrument for organizing and strengthening the forces of peace and goodwill in the world, the statement recapitulated Canada's earlier attitude towards sanctions and stressed the difficulty of making advance commitments for either economic or military purposes. Yet in the present crisis the government promised to co-operate in securing an effective application of economic sanctions, while taking care to make it plain that this was not to be regarded as a precedent. It then added significantly: "The Canadian Government at the same time desires to make it clear that it does not recognize any commitment binding Canada to adopt military sanctions, and that no such commitment could be made without the prior approval of the Canadian Parliament." In accordance with this statement, the government, by orders in council, adopted the four types of sanctions first proposed by the Committee of Eighteen. In the meantime Dr. Riddell had proposed on November 2, in Geneva, the extension of the embargo to petroleum and derivatives, coal, iron, cast iron, and steel. On November 4 he telegraphed to the new government for approval of his action. Within an hour of the receipt

<sup>1</sup> Canada, *Documents relating to the Italo-Ethiopian Conflict*, (Ottawa, 1936), pp. 162-3.

<sup>2</sup> A. J. Toynbee, *Survey of International Affairs, 1935*, vol. II, p. 273.

<sup>3</sup> *Documents relating to the Italo-Ethiopian Conflict*, pp. 165-6.

of his message Dr. Riddell had been cabled not to take any action without specific orders from the government. Unfortunately the cable did not reach him before the Economic Sub-Committee had met to discuss his proposal and had referred it to a drafting committee. As Mr. King later explained in the House of Commons:<sup>1</sup> "We considered very carefully whether we should not immediately publicly repudiate his act, and it was only because we were most anxious not to take any step which might possibly embarrass the situation in Europe or which might appear even remotely to indicate an exception on the part of Canada to what was being done by other parts of the British empire, that we refrained from taking any action of that kind." By December it was apparent abroad that Italy regarded very seriously the proposed embargo, that the proposal was viewed as primarily the policy of the Canadian government, and that Quebec was strongly opposed to such a course. While the Prime Minister was on holiday in Georgia, the Hon. Ernest Lapointe, then acting Prime Minister, issued a statement<sup>2</sup> to the press on December 2, explaining that the Canadian government did not intend to take the initiative in any proposal for extending economic sanctions. Any views expressed by the Canadian member of the League Committee were his own and not those of the government. M. Lapointe's action was greeted with enthusiasm in French Canada where the heading of the commendatory editorial in *Le Devoir*, "Bravo, M. Lapointe", may be said to epitomize press opinion. It was sharply criticized by both Conservative and Liberal newspapers in English-speaking Canada,<sup>3</sup> one newspaper in Toronto even insinuating, in a cartoon, that the acting Prime Minister was the tool of the Roman Catholic Church, a charge which he keenly resented. Mr. King came to the support of his colleague in a statement on December 6, in which he

<sup>1</sup> *Commons Debates*, 1936, vol. I, p. 95.

<sup>2</sup> *Documents relating to the Italo-Ethiopian Conflict*, pp. 171-2. During the election campaign, on September 11, M. Lapointe had declared that nothing at stake in Abyssinia was worth the sacrifice of a single Canadian life.

<sup>3</sup> Such staunch Liberals as the Hon. Newton Rowell and Mr. J. W. Dafoe were also opposed to the Lapointe statement.

intimated that the Canadian government was not necessarily opposed to the extension of the embargo but did not desire to have Canada take the initiative. On the same day, perhaps by arrangement, Sir Samuel Hoare, the British Foreign Secretary, issued a statement "to make it quite clear than no government is any more responsible than another for this collective decision, or indeed, for any of the sanctions proposed". At this point the disclosure of the notorious Hoare-Laval proposals, which the Canadian government carefully inserted in its White Book on the crisis immediately after M. Lapointe's statement, diverted criticism and discomfited the League supporters in Canada, who had been urging Canada to follow the strong lead given by Great Britain in accordance with Sir Samuel Hoare's famous September speech.

When the new Parliament assembled in February 1936, the matter was again raised by Mr. R. B. Bennett, the former Prime Minister and leader of the Conservative opposition, who felt that the government had bungled the situation in a fashion that might give Canada the reputation of a repudiator and lend Italy "moral" comfort which she was not slow to acknowledge.<sup>1</sup> The C. C. F. likewise criticized the government for giving the impression that Canada would not stand behind the statement of her representative in Geneva.<sup>2</sup> In reply, the Prime Minister summarized the position taken by his government since it had assumed office, and strongly queried any attempt on Canada's part "to regulate a European war".<sup>3</sup> He even claimed, "I am not at all sure that, when the whole story comes to be told, it may not be discovered that, but for the action of the government of Canada in this particular matter, at that particular time, the whole of Europe might have been aflame today". If the Hoare-Laval proposals had been less unpopular in Britain Mr. King might have been more explicit.

For the next four months the government maintained a stubborn silence on foreign policy, despite two attempts by

<sup>1</sup> *Commons Debates*, 1936, vol. I, p. 40.

<sup>2</sup> *Ibid.*, p. 127.

<sup>3</sup> *Ibid.*, pp. 92-8.

Mr. Woodsworth to extract a statement. This reticence<sup>1</sup> was observed abroad as well as at home. Mr. King stated, in response to a question in the House of Commons, that there had been no consultation with any other members of the British Commonwealth upon the crisis. Not until June 18, six weeks after the fall of Addis Ababa, and shortly after Mr. Neville Chamberlain had branded the continuance or extension of sanctions as "midsummer madness", while General Hertzog had countered with a statement that South Africa favoured the continuance of sanctions, did the Prime Minister define the Canadian position in a carefully prepared statement,<sup>2</sup> which was praised by a normally stern critic as the best speech made by a Canadian government leader since the Peace Treaties.<sup>3</sup> Mr. King announced the government's decision to lift sanctions, on the same day as the British and Australian governments did likewise, but was careful to explain that the decision had been made independently, in advance of any information about British policy. He admitted that the government had been reticent, but maintained that events in Europe more than justified such caution. He also admitted that external affairs had not been sufficiently discussed in the past, but this was to be ascribed not to the government but to "our slow emergence from the colonial attitude of mind; our relative immunity from any serious danger of war on our own account; the real difficulties inherent in our preoccupation with the tremendous, absorbing and paramount tasks of achieving economic development and national unity, which with us take the place of the preoccupation with the fear of attack and dreams of glory which beset older and more crowded countries; and the unparalleled complexity of our position as a member of the league, a member of the British Common-

<sup>1</sup> For criticism of this silence, see F. H. Underhill, "Parliament and Foreign Policy" (*Canadian Forum*, vol. XVI, June 1936, pp. 6-7); and Edgar McInnis, "A Nation in the Dark" (*Queen's Quarterly*, vol. XIII, autumn 1936, pp. 241-9).

<sup>2</sup> *Commons Debates*, 1936, vol. IV, pp. 3862-73.

<sup>3</sup> F. H. Underhill, "Canada and Post-League Europe" (*Canadian Forum*, vol. XVI, Oct. 1936, p. 11).

wealth of Nations and one of the nations of the American continent". Mr. King added that, although public interest in foreign affairs was growing and there was more appreciation of the complexity of the problem, it had not yet crystallized in any final or clear-cut fashion.

In his historical review of government policy the Prime Minister revealed that, on two occasions after the Riddell episode, the government had instructed its spokesman in Geneva to vote for the inclusion of oil in the list of embargoed exports to Italy if such a proposal were generally supported. The Canadian government felt justified in ending sanctions since "collective bluffing cannot bring collective security, and under present conditions most countries have shown they are not prepared to make firm commitments beyond the range of their immediate interest". The most interesting part of the statement was devoted to a discussion of the bases for foreign policy in future. Although fortunate both in neighbours and lack of neighbours, Canada could not safely adopt a strictly isolationist policy. "A great war abroad and, in lesser measure, the preparations for war, the rattling of the sword and the darkening of the sky with planes, may disturb our trade, endanger democracy, strain our relations with other lands." The League of Nations was praised as an essential organization, an international clearing-house, an agency for collective decision and collective settlement of the problems the nations had in mind. On the other hand, handicapped by the abstention of some nations and the hostility of others and lacking effective support from its members, as illustrated in the Manchuria and Chaco crises, it could not function effectively as an instrument for enforcing peace. Therefore, the speaker concluded, "it is clearly impossible for a country like Canada to make binding commitments to use economic force or military force". Anticipating adverse criticism in Europe by *a tu quoque*, Mr. King warned European statesmen: "The league cannot operate as a one-way road. European states cannot throw overboard all obligation to action in Asia or America and expect members of the league to accept

obligations in European disputes." Mr. King did not rule out completely military co-operation on the part of Canada, but added his invariable reservation that Parliament must decide in the light of circumstances at the time. Although the League could not become the international war office, it need not necessarily decline into a mere debating society, but could especially serve as a forum for the discussion of economic grievances. When it did so, Canada, without exaggerating her contribution, would be prepared to consider questions of raw materials, population movements, or labour conditions raised by aggrieved states. Like the American Secretary of State, Mr. Cordell Hull, the Canadian Prime Minister stressed the importance of pressing the attempt to bring international trade gradually back to a sane basis and to lessen the throttling controls or barriers. If Canada achieved any success in such efforts she would be making the most direct and constructive contributions she could to her own and other countries' welfare.<sup>1</sup>

This significant statement did not initiate a lengthy debate, but did evoke speeches from the leaders of the Conservative

<sup>1</sup> In keeping with this emphasis on the value of freer trade, at the opening of the parliamentary session Mr. King had said of the new Canadian-American trade agreement: "I believe we will live to see the day when the agreement between the United States and Canada will be held up as marking a new beginning in the relations between the countries of the world; a new beginning in the direction more in the way of trade and of international friendship; and less in the way of those things which make for ill to the world at large."

In Geneva Mr. King was to say with pride in September, "We have no embargoes, no exchange or quota controls and have demonstrated our readiness to negotiate for tariff reductions with any country prepared to take like action."

In *Canada Looks Abroad* (Toronto, 1938), Messrs. MacKay and Rogers commented (p. 111) pertinently on Mr. King's offer of co-operation in economic appeasement: "There is, however, no indication that Canada is yet willing to accept whatever recommendations might arise from such enquiries or discussion, or that she is in any way prepared to forego her autonomy in the control of raw materials or immigration or any other matters which she has hitherto regarded as within her domestic jurisdiction."

and C. C. F. parties.<sup>1</sup> Mr. Woodsworth, who was, like Mr. George Lansbury, a one hundred per cent. pacifist,<sup>2</sup> declared himself very largely in agreement with the Prime Minister's position, and also admitted that isolation could not ultimately save Canada.<sup>3</sup> His speech was significant for its suggestion that the government should make a definite announcement that Canada in future intended to shape her own foreign policy and should possess the right to neutrality. He believed that "we should let Great Britain know now, not later on when she may become involved in some war that she need not count us in".<sup>4</sup> Mr. Woodsworth thought that in Geneva Canada should advocate the separation of the Covenant from the Peace Treaties and the revision of treaties, and should do all in her power to remove the conditions which drove nations to war. Like Mr. King, the C. C. F. leader felt that the first consideration in formulating Canadian foreign policy was to maintain the safety, well-being, and unity of the Canadian people, which, he was convinced, a war would split from stem to stern.

Mr. R. B. Bennett, the Conservative leader, also congratulated Mr. King on his statement, while again deploring the impression produced abroad by the Riddell episode. For a time he toyed with the idea of Canada assuming the

<sup>1</sup> The Social Credit party had already defined its policy earlier in the session when it stressed the importance of removing the causes of war rather than prohibiting it, and, as might be expected, found the fundamental cause in the existing financial system. The statement concluded: "Recognizing that we are a small nation, we realize that our only hope to secure lasting peace lies in cooperation with the English speaking nations of the world who alone have preserved the political freedom necessary to bring about economic reforms by constitutional methods. We are unalterably opposed to war except in defence of our political freedom" (*Commons Debates*, 1936, vol. I, pp. 672-3).

<sup>2</sup> His sincerity and consistency were to be demonstrated in the great debate on Canada's participation in the second Great War.

<sup>3</sup> *Commons Debates*, 1936, vol. IV, pp. 3873-9.

<sup>4</sup> In a later passage of his speech, Mr. Woodsworth urged that Canada "should declare her firm intention not to participate actively in any overseas conflict, whatever."

same position as South Africa in maintaining sanctions. "Might we not say—I am putting this only hypothetically—as a new country, a new people blazing for ourselves a path-way among the nations of the world, that we stand with South Africa?"<sup>1</sup> Then, after confessing his own uncertainty as to what course of action Canada should take, Mr. Bennett finished his speech more in the Conservative tradition by warning the House that, now that the League had failed, "The greatest assurance we have for the maintenance of our peace lies in the strengthening of every tie that binds the commonwealth of nations, the members of the British empire".

From Mr. Paul Martin (Essex East, Ont.), a new Liberal member making his maiden speech, there came an interesting suggestion which duplicated one made in the previous Parliament by the veteran French-Canadian member, M. Henri Bourassa.<sup>2</sup> As he put it: "Having in mind the policy of the good neighbour as enunciated by Mr. Roosevelt, is it not worth while for Canada now to consider taking part in the negative way that is thereby provided in the Pan-American Union? Is our region not North American as well as European? Have we not definite interests in the union of states on this continent, if alone for commercial reasons?"<sup>3</sup> Mr. Martin's suggestion came at a time when, elsewhere, preparations were under way for the special Inter-American Conference of 1936, which President Roosevelt had initiated to determine how best the maintenance of peace might be safeguarded in the Americas. At one time the government of the United States had apparently been envisaging some form of Canadian co-operation in an American peace front and had thrown out diplomatic feelers. However, when President Roosevelt visited Canada at the close of July neither the Prime Minister nor the Governor-General, despite the friendliness of their speeches of welcome, showed any sign of approval. On the contrary, Lord Tweedsmuir

<sup>1</sup> *Commons Debates*, 1936, vol. IV, p. 3894.

<sup>2</sup> *Ibid.*, 1935, vol. III, p. 2287.

<sup>3</sup> *Ibid.*, 1936, vol. IV, p. 3884.



declared that it was "not by any alliance, political or otherwise, but through thinking the same thoughts and pursuing the same purpose" that the two countries might "help to restore the liberties of mankind".<sup>1</sup>

Mr. King was well satisfied with the reception which his statement had in both Parliament and the press. Excepting the *Winnipeg Free Press*, which remained firmly in support of collective action, the newspapers approved resignedly or with enthusiasm. Mr. King's satisfaction was evident in his answer to a request from the C. C. F. leader that he disclose what course of action he would enunciate at Geneva when he attended, as announced in the House, the ordinary sessions of the League Assembly in September. This Mr. King refused to do,<sup>2</sup> but made the significant comment, which subsequent events rendered somewhat optimistic: "As far as I am able to sense the situation I believe members of all parties in this house are pretty well united with respect to the views they entertain on Canadian foreign relations. There may be differences here and there, but as a Canadian people I think we are singularly united in the essential features of our foreign policy."<sup>3</sup> To what extent M. Laval and Sir Samuel Hoare furthered this apparent unity would be an interesting if fruitless speculation.

The Canadian Prime Minister's conviction that he faithfully represented the views of his people was reflected in the nature of his speech in Geneva on September 29 with its isolationist overtones and dislike of commitments.<sup>4</sup> In the interval since Parliament had adjourned, the Canadian

<sup>1</sup> Quoted in A. J. Toynbee, *Survey of International Affairs, 1936* (London, 1937), p. 819.

<sup>2</sup> He was to display the same caution when the Canadian press interviewed him on the eve of his departure from Canada. As Mr. King said: "The British government has made no statement about the position towards the League at the present time, and in that particular I am following what I think is a very wise action on their part. The only point I would like to emphasize is that Canada desires to be friendly with all nations."

<sup>3</sup> *Commons Debates*, 1936, vol. IV, p. 4125.

<sup>4</sup> The speech is given in full in MacKay and Rogers, *Canada Looks Abroad*, appendix E.

position vis-à-vis Europe had been strengthened by a significant remark dropped by President Roosevelt in his Chataqua speech of August 14. After commenting on the desire of the United States for friendship with all nations, he added that his country was prepared, if need be, to defend itself *and its neighbourhood* against aggression, a hint that was made still broader in his Kingston speech of August 1938. Naturally most of Mr. King's address in Geneva recapitulated the views which he had given in the House of Commons on June 18, but special pains were taken to explain the effect of geography upon our national outlook. As Mr. King observed, it was "unreasonable to expect a North American state to have the same international outlook, the same conception of interest, or of duty, as a European state facing widely different conditions".

In keeping with that difference of outlook, Canada felt that the restoration of confidence and goodwill in Europe was something which could be best decided by the nations immediately concerned. The Prime Minister drew a pointed parallel from Canada's experiences in the British Commonwealth of Nations, though he admitted that it was not an exact parallel with the League of Nations. "The nations of the British Commonwealth are held together by ties of friendship, by similar political institutions, and by common attachment to democratic ideals, rather than by commitments to join together in war. The Canadian parliament reserves to itself the right to declare, in the light of circumstances existing at the time, to what extent, if at all, Canada will participate in conflicts in which other members of the Commonwealth may be engaged." This experience had convinced Canadians of the possibility of preserving close and friendly co-operation without the existence of a central authority, or of military commitments. It also made them believe that this respect for full autonomy, not only on questions of war but in all matters, should govern the actions of all the members of the League of Nations.

As in his Ottawa speech, the League was given generous praise for its achievement in promoting co-operation in so

many spheres, the Prime Minister declaring in Voltairean fashion that if the League did not exist, some such world organization would have to be invented. A hint of Mr. King's first reactions to the Spanish Civil War, which had broken out in July, is to be found in the reference to the increasing difficulty of being committed to automatic intervention when conflicts tend to become struggles between classes, between economic systems, between social philosophies and, in some instances, between religious faiths, as well as between states.<sup>1</sup>

The Prime Minister reaffirmed the Canadian position on sanctions but explained that this did not mean that in no circumstances would the Canadian people be prepared to share in action against an aggressor. "It does mean", he said, "that any decision on the part of Canada to participate in war will have to be taken by the Parliament or people of Canada in the light of all existing circumstances; circumstances of the day as they exist in Canada, as well as in the areas involved." To a Canadian listener, the closing phrases of the sentence would be the most significant. On the problem before the Assembly of strengthening the authority of the League by adapting the application of the principles of the Covenant to the lessons of experience, Mr. King said that his government did not believe formal amendment of the Covenant either possible or necessary. But it did believe that, by emphasizing the mediation and conciliation aspects of the Covenant, it might be possible to transform the collective system from a hope into a reality, and to fill the vacant seats in Geneva which were broken links in the chain of collective security. Mindful of Locarno, Mr. King did not

<sup>1</sup> When the Prime Minister returned to Ottawa, and described his impressions of Geneva and the European scene, at a public dinner, he said about the Spanish situation: "I think the League will have to consider very carefully—and I think its members feel very strongly such is the case—whether its great objective in the future may not be to localize as much as possible wars that seem to be taken almost as inevitable, and to exercise the greatest care that that which might be made a limited struggle does not, through the League itself, become one in which too many other nations are involved."

oppose regional agreements to ensure prompt action against an aggressor if the danger was avoided of their becoming old-fashioned military alliances. But, should these European regional alliances request automatic economic sanctions from states beyond Europe, he feared such arrangements would strengthen and perpetuate the existing one-way tendency in the application of sanctions. Canada favoured the suggested modification of Article XI, ruling out the unanimity required that included the states parties to the dispute, and was favourable to the efforts to combat economic nationalism. Canada also approved of the suggestion for detaching the Covenant from the Peace Treaties.

The views of the Canadian Prime Minister found an echo in other countries and continents. As the authors of *Canada Looks Abroad* later pointed out, Canada's attitude towards Article XVI was virtually identical to that of the governments of seven of the former neutral states of Europe—Denmark, the Netherlands, Norway, Switzerland, Spain, Sweden, and Finland.<sup>1</sup>

Mr. King also found encouragement in the address of the chief Australian delegate, the Hon. Stanley Bruce, which he quoted on his return home as expressing the views not only of Australia, but of Canada, and, he believed, of the United Kingdom. The passage in Mr. Bruce's speech that appealed to the Prime Minister rejected the argument that the abandonment of obligatory, automatic sanctions was a blow to League prestige, and declared that, "To endeavour, in a non-universal League, to operate the strict letter of the covenant would be a menace to the League, for, I believe, it would drive some members out of the League, and it would certainly act as a deterrent to the entry of those powers outside whose co-operation is so desirable."

An examination of the discussion carried on in periodicals with regard to Canadian policy during the Italo-Ethiopian crisis and immediately afterwards does not reveal the unity of Canadian outlook to which Mr. King had referred

<sup>1</sup> MacKay and Rogers, *Canada Looks Abroad*, p. 109. The speech of the Danish foreign minister in July 1936 was identical in outlook.

in June 1936.<sup>1</sup> In the English-speaking periodicals<sup>2</sup> three currents of thought are revealed: a fervent belief in the possibility of collective action, that later changes to disgust and disappointment with the record of the League and of Canada in the crisis; a vigorous demand for isolationism that was intensified by the Hoare-Laval agreement and the failure of sanctions; and a plea for unflinching support of Britain that did not perhaps find the expressions equivalent to its actual influence.<sup>3</sup> The collectivists, with Mr. J. W. Dafoe as their most powerful exponent, pleaded for loyal and unflinching co-operation with the League, deplored the effect of the Riddell episode, and viewed with angry pity the fate of Abyssinia and with contempt the eagerness with which most states hastened to lift the sanctions.<sup>4</sup> But, as the Canadian correspondents of the *Round Table* pointed out in their survey of Canadian opinion during the crisis, those in Britain, such as most of their *Round Table* associates, who favoured a policy of limited liability in Europe, ought not to think that this policy would necessarily give them increased support in Canada after the lifting of sanctions.<sup>5</sup> In their opinion isolationist feeling and a North American outlook had been enormously strengthened by the trend of events. This might perhaps be explained by the fact that the left wing of collectivist opinion in Canada insisted from the first that there

<sup>1</sup> A fuller analysis will be found in the author's articles, "Canada and Foreign Affairs" (*Canadian Historical Review*, vol. XVII, June 1936, and vol. XVIII, June 1937, republished as pamphlets by the Canadian Institute of International Affairs).

<sup>2</sup> The best expression of French-Canadian opinion was given by M. Jean Bruchési in the article quoted above, p. 24.

<sup>3</sup> See G. V. Ferguson, "The Propaganda Media in Canada" (Canadian Institute of International Affairs, *Canadian Papers*, 1938, series E, pp. 1-4).

<sup>4</sup> See J. W. Dafoe, "Canada, the Empire and the League" (*Foreign Affairs*, vol. XIV, Jan. 1936, pp. 477-84); P. E. Corbett, "Sanctions—Abyssinia and After" (*University of Toronto Quarterly*, vol. V, July 1936, pp. 482-98).

<sup>5</sup> "Canada and World Affairs" (*Round Table*, vol. XXVI, June 1936, pp. 599-602); "Canada and the League Crisis" (*Round Table*, vol. XXVI, Sept. 1936, pp. 826-31). See André Siegfried, *Canada* (Toronto, 1937), p. 304.

should be no support of sanctions without simultaneous and sincere willingness, proven by positive action, to meet the real economic grievances of Italy which had made her imperialistic venture popular with her people. This view was held by a section of the C. C. F., which had its spokesman in Parliament in Mr. T. C. Douglas, and found vigorous expression in a special meeting of the National Council of the League of Nations Society in Canada, in November 1935.<sup>1</sup> Its most effective defender was Mr. Escott Reid, who suggested in his articles that Italy had not been given a real choice between international co-operation and war, reminded his readers of Canada's opposition in 1920 to Italian requests for economic co-operation, and advocated, early in the crisis, that "the Canadian government should therefore urge that a League commission be appointed immediately to report to a special meeting of the Assembly on measures which might be taken to provide Italy with the possibility of a peaceful solution to her economic problems".<sup>2</sup>

The isolationists of English-speaking Canada refused to regard the Abyssinian crisis as anything more than a clash of rival imperialisms in Europe, in which the League was used as a mask.<sup>3</sup> As their ablest spokesman, Professor F. H. Underhill, wrote, "the plain truth is that what we are witnessing in Europe today is a complete revival of the balance-of-power system of the nineteenth century".<sup>4</sup> This school of thought praised the Lapointe statement on oil sanctions, which they felt was in accord with the regular policy of all Canadian governments since the war, and taunted Messrs. Dafoe and Rowell, the leading advocates of sanctions, for being the unwitting "bell-wethers for British Imperialism".

<sup>1</sup> The debate is recorded in *Interdependence* (League of Nations Society in Canada, vol. XII, 1935).

<sup>2</sup> See Escott Reid, "Did Canada Cause War?" (*Saturday Night*, Sept. 28, 1935); "Canada and the Abyssinian Crisis" (*Canadian Forum*, vol. XV, Jan. 1936, pp. 9-11).

<sup>3</sup> See the chapter on foreign policy in *Social Planning for Canada* (Toronto, 1935).

<sup>4</sup> F. H. Underhill, "That Clear Moral Issue" (*Canadian Forum*, vol. XVI, April 1936, pp. 5-6).

In the periodicals the lone exponent of unflinching support for Great Britain in the crisis was Colonel George Drew, subsequently leader of the Conservative party in Ontario. He deplored the influence of American periodicals in Canada and argued that "self-interest as well as sentiment should suggest that we support Great Britain in the present crisis, and we should tell the world in no uncertain terms what we propose to do. Unless we are prepared to go that far, there cannot be effective British co-operation within the League, and then the League must itself perish".<sup>1</sup>

After sanctions were lifted the isolationists argued still more strenuously on behalf of their policy, and expressed relief that the waning of the League had removed a good many idealistic red herrings from the path of Canadian policy. In the new post-League world, they maintained, Canadians should think of themselves alone in their own part of the globe.<sup>2</sup> Former collectivists began to wonder if an American league of nations might not be preferable to the present Geneva League and to suggest, as did the writer of "Topics of the Day" in the *Dalhousie Review*, that "The clear path of wisdom for Canada is to hold tenaciously to every kind of alliance that will keep ourselves and, so far as our influence will permit, also the rest of the world, out of entanglement in war".<sup>3</sup> In the *Queen's Quarterly*, in the autumn of 1936, first place was given to a bitter article, "A Nation in the Dark",<sup>4</sup> which praised Mr. King's speech of June 18, while adding that it was an inadequate counterpart to the silence of five months. It poured scorn on the satiated European powers whose energy in summoning aid when they themselves were affected was

<sup>1</sup> G. A. Drew, "Will Canada Support Great Britain?" (*Maclean's Magazine*, vol. XIX, March 1, 1936, pp. 10-11, 41-2).

<sup>2</sup> F. H. Underhill, "Canada and Post-League Europe" (*Canadian Forum*, vol. XVI, Oct. 1936, pp. 11-12). The sharpest attack on this isolationist view came in Professor Corbett's article, "Isolation for Canada?" (*University of Toronto Quarterly*, vol. VI, Oct. 1936, pp. 120-31).

<sup>3</sup> "Topics of the Day" (*Dalhousie Review*, vol. XVI, Jan. 1937, p. 513).

<sup>4</sup> Edgar McInnis, "A Nation in the Dark" (*Queen's Quarterly*, vol. XLIII, autumn 1936, pp. 241-9).

equalled only by their indifference when their interests were unaffected, and looked gloomily on the shape of things to come with the disappearance of the League as an effective instrument. The article ended with the acid comment that "a government which persistently shelters the electors from all vital knowledge can hardly justify itself by promising that when the crisis arrives they will be permitted to choose the right course out of their ignorance".<sup>1</sup> In a notable address at the biennial Conference on Canadian-American Affairs, in the summer of 1937, Mr. Dafoe expressed similar uneasiness for the future after "the League of Nations, with assurances of the most distinguished consideration, was ushered out into the darkness by Mr. Mackenzie King". With its departure, he feared, "Canada found herself a nation with national responsibilities in an anarchic world, and Mr. King found himself faced with the problem of shaping a policy to maintain national unity in the face of greater diversities of opinion than he had ever encountered".<sup>2</sup> Such was the prospect for 1937.

<sup>1</sup> It is only fair to remember that this governmental reticence can be paralleled in the other Dominions. See H. V. Hodson, "British Foreign Policy and the Dominions" (*Foreign Affairs*, vol. XVII, July 1939, p. 760).

<sup>2</sup> J. W. Dafoe, "Canadian Foreign Policy" (*Proceedings, Conference on Canadian-American Affairs*, 1937, Montreal, 1937, p. 225).



### III. 1937. THE MIDDLE OF THE ROAD POLICY

The foreign policy of this country is so obvious that it does not  
require much discussion. THE RIGHT HON. R. B. BENNETT<sup>1</sup>

WHEN Parliament met in January 1937, it was soon obvious that the Liberal and C. C. F. parties would be at loggerheads on the questions of foreign policy and defence. In contrast, the Conservative party persistently avoided discussion, so much so that Mr. Bennett had the rare experience of being twitted during the debates for being the leader of the "silent party". Rather lamely, he explained at the close of the discussion of the defence estimates that "during the recent weeks we on this side of the house have refrained from making any observations on this subject believing that the government was best able to determine what was desirable in the public interest with regard to defence".<sup>2</sup> This was novel doctrine for the leader of the opposition to preach. More plausible reasons for Mr. Bennett's action may be found in the natural hope of the Conservatives that, without the incentive of Conservative criticism to keep its ranks closed, the Liberal party would split on defence policy, and a decision to follow a policy of "watchful waiting" until the full significance of the Union Nationale victory in the Quebec elections of the previous August was apparent. More than one Conservative veteran of pre-war days may well have recalled the Liberal difficulties in Quebec in 1911 which had redounded to the profit of the Conservative party.

The C. C. F. party had paved the way for its parliamentary activities at its annual national convention in Toronto in

<sup>1</sup> In the House of Commons, February 9, 1937.

<sup>2</sup> *Commons Debates*, 1937, vol. III, p. 2218.

August 1936, which drafted a new statement on foreign policy that reflected the effects of the recent international crisis. The resolution<sup>1</sup> criticized vague government declarations about Canada's devotion to peace, strongly condemned the secrecy with which foreign policy had been conducted by Liberals and Conservatives alike, and promised that a C. C. F. government would take the Canadian people into its confidence on this as on other matters. Then followed a three-point declaration of policy covering Canada's attitude towards the Empire, the League, and neutrality. Because, technically, Canada was still in the position of being at war when Britain was at war, the C. C. F. party believed that Parliament should adopt legislation similar to that recently passed in South Africa, to make it clear to the world that Canada was free to be neutral in any war, even in one in which the other members of the British Commonwealth were engaged. Since the existing League of Nations had failed, misused by imperialist governments as a screen for the old game of power politics, the C. C. F. party would actively support any scheme of reorganization to provide effective machinery for peaceful change, to deal fearlessly with economic conflicts, to work for disarmament, and to plan in advance a clear policy for collective action against an aggressor. In its section on neutrality, the statement favoured a policy of rigid neutrality, regardless of who the belligerents should be.<sup>2</sup> It also advocated no commitments in any scheme of imperial defence, and a defence policy confined to local Canadian needs.

In accordance with this statement of policy, and with the additional stimulus of the sharp increase in the defence estimates which were tabled at the opening of the session, C. C. F. members of Parliament initiated three discussions on foreign policy, and offered an amendment to the motion to adopt the

<sup>1</sup> The full text will be found in R. A. MacKay and E. B. Rogers, *Canada Looks Abroad* (Toronto, 1938), appendix v.

<sup>2</sup> The inconsistency between the promise of C.C.F. support for a policy of collective action against an aggressor and a policy of rigid neutrality may perhaps explain why in the 1937 convention the word "imperialist" was inserted before the word "wars" in the paragraph on neutrality.

defence estimates, which produced what Mr. J. S. Woodsworth (C.C.F., Winnipeg North Centre, Man.) believed to be the fullest discussion of foreign policy that had taken place in the House in fifteen years. The C. C. F. leader precipitated the first discussion by a resolution which he introduced on January 25.<sup>1</sup> This read:

That, in the opinion of this house, the foreign policy of Canada should conform to the following principles:

1. That under existing international relations, in the event of war, Canada should remain strictly neutral regardless of who the belligerents may be.

2. That at no time should Canadian citizens be permitted to make profits out of supplying war munitions or materials.

3. That the Canadian government should make every effort to discover and remove the causes of international friction and social injustice.

Mr. Woodsworth was seriously disturbed because, in a world rapidly becoming an armed camp, Canada had failed to adopt any policy of its own and was content either to follow the British lead or, what was more serious, to try to escape the responsibility of any very active policy. While admitting the sharp divergencies of opinion in Canada, Mr. Woodsworth believed it better to face the question now rather than wait until some critical moment which would reveal how serious the internal differences were. He astutely appealed to the French-Canadian Liberal members to express the true sentiments of their own province and join his party in querying the increased expenditures on armaments. The speech was largely a commentary on the C. C. F. convention's plank on foreign policy which he read to the House. Mr. Woodsworth affirmed his desire to preserve the British connection but argued that "it is only in so far as we in Canada have effective control over the policies which concern our people, and the other dominions have similar control, that we shall be able to maintain the British commonwealth". As far as defence was concerned he

<sup>1</sup> The debate is reported in *Commons Debates*, 1937, vol. I, pp. 237-64, 380-5, 535-64.

could see no reason for Canada not profiting by her geographic position and her relationship to the United States. "If I live in an area of fireproof buildings, why should I not be happy in enjoying greater immunity from fire hazards? . . . Why not . . . recognize that the people of the United States are our friends, and that we may be their friends, and secure in that happy position."

Of the sixteen members who took part in the debate, only one was a Conservative, Mr. Denton Massey (Toronto-Greenwood, Ont.), a new member, who lamented the lack of unity in Canada and the resulting cacophony rising from within our borders. He was opposed to either isolation or neutrality, and painted a gloomy picture of Canada under such circumstances as "a puny, faraway nation with as much chance of being heard in a world court [*sic*] or in the market places of the world as any one of the dozen or more tiny states of Europe". If Canada crawled into a smug parochial nationalism he wondered how long such a rich fertile country would be left alone by the land-hungry nations, and what the price for American protection would be.

Some of those who supported the resolution did so for quite different reasons. Miss Agnes Macphail (U.F.O., Grey-Bruce, Ont.), who warmly praised the speech that the Prime Minister had given in Geneva,<sup>1</sup> which she believed to represent the majority opinion of Canada,<sup>2</sup> argued that Canadians had been thinking far too long about European problems as problems which they were in duty bound to solve, and admitted that she had surrendered her enthusiasm for collective action to assume

<sup>1</sup> The French-Canadian seconder of the address in reply to the Governor-General's speech, had previously lauded the Prime Minister's "magnificent speech", and added: "The proud declaration of the Prime Minister on this occasion, proclaiming the complete independence of Canada in the event of war, even should England be involved, and his definite statement that Canada would never declare war without the formal consent of the federal parliament have reassured all true Canadians."

<sup>2</sup> Miss Macphail was less approving of Mr. King's speech during this debate and felt that "The imperialists ought to be fairly well satisfied with the second last part of his address". In the *Canadian Forum*, Mr. Underhill, who had likewise praised the Geneva speech, described the one in January as a distinct retrogression.

a North American point of view. Although she realized that isolationism was only a stop-gap policy, it had been forced upon her by recent developments and by her lack of confidence in the ruling caste of Great Britain, which, she was convinced, would sacrifice the masses of Great Britain and Canada to their own interests.<sup>1</sup> Miss Macphail believed Canada should take more part in neighbourhood conferences and regretted Canada's absence from the Buenos Aires discussions.<sup>2</sup> She advised the House: "We ought to say very plainly to Great Britain that Canada is not in the same frame of mind as she was in 1914; that Canada is unlikely to plunge into a European war without very careful thought, and if everyone thought as I do she would not plunge in at all."

While Mr. T. C. Douglas (C.C.F., Weyburn, Sask.) was unhappy about the increased defence estimates, he felt the time had come either to work collectively to build world peace or be inundated in a world war. In contrast to Miss Macphail, he criticized the Prime Minister for moving steadily and relentlessly towards a policy of isolation, and objected to Mr. King's conception of the League as "an international debating society that would be as effective as a ladies' aid meeting". He favoured Canada's participation in a scheme of collective action, but would restrict her contribution to economic sanctions only. On this occasion, as subsequently, Mr. Douglas criticized Canadian sales of nickel to potential aggressors, and thereby provoked a carefully prepared speech in defence of the International Nickel Company from the

<sup>1</sup> For a still more forceful criticism, see M. Vital Mallette (Liberal, Jacques Cartier, Que.): "Quebec is not inclined to enter into partnership with the gentlemen from London or elsewhere who have their eyes on oil fields, diamond mines, gold mines, etc., lying in foreign lands. These men would not hesitate in any way to have the empire, including Canada, engaged in a war to enrich themselves at the expense of poor, defenceless peoples, by sending young men from all parts of the British Empire as cannon fodder, so as to satisfy the lust of these worshippers of the Golden Calf" (*Commons Debates*, 1937, vol. I, p. 554).

<sup>2</sup> It is significant that on November 23, 1936, *Le Devoir*, of Montreal, enquired editorially, "Pourquoi ne sommes-nous pas à Buenos-Ayres?" and *Le Canada*, also of Montreal, on November 30, warmly praised the Conference discussions.

member (Mr. Joseph Hurtubise, Liberal, Nipissing, Ont.) who represented the district in which it is located.<sup>1</sup>

The fact that the Prime Minister and two of his Cabinet colleagues, who were, significantly enough, both French Canadians, participated in the debate indicated their appreciation of the increasing public interest, and their desire to clear the air before the defence estimates were under examination.<sup>2</sup> They utilized the breadth of the resolution to dilate upon the government's desire to remove international friction by its economic policy, and to point out the impossibility of removing all profit from war without complete nationalization of industry, which was inadvisable.<sup>3</sup> The Prime Minister refused to commit the government to a rigid policy of neutrality. He repeated his favourite doctrine of the

<sup>1</sup> *Commons Debates*, 1937, vol. I, pp. 574-8. Mr. Douglas presented a motion on February 4, requesting legislation so that "in the event of another war involving Canada's active participation, every agency, financial, industrial, transportation or natural resources, shall automatically be conscripted for the duration of such a war, and that a penalty be imposed for the violation thereof."

<sup>2</sup> Thus Mr. King remarked that he did not wish to anticipate the explanations of the Minister of National Defence, but "I do wish to say at once that, as far as the estimates presented to parliament at this session are concerned, any increase placed there has been only and solely because of what the government believe to be necessary for the defence of Canada, and for Canada alone. The estimates have not been framed with any thought of participation in European wars. They have not been framed as a result of any combined effort or consultation with the British authorities, beyond what would be obviously in the interests of all in the matter of gaining the benefit of expert opinion where expert opinion was obviously desirable. So far as policy is concerned, I wish to make it perfectly clear that no request of any kind has come from the British government to our government with respect to a single item that appears in the estimates as they have been brought down" (*Commons Debates*, 1937, vol. I, p. 246).

<sup>3</sup> At the convention of the Canadian Manufacturers' Association, in 1939, the Minister of National Defence stated that the construction of great state arsenals for the production of Canada's limited requirements in the matter of defence has been found uneconomic, and that "this country expects industry to make a contribution to Canadian defence on the same basis as Canadian manhood makes it—that is, on a decent maintenance basis" (Canadian Press report, June 21, 1939).

supremacy of Parliament in questions of war and peace, stating that "Over and over again we have laid down the principle that so far as participation by Canada in war is concerned, it will be for our parliament to decide. Having taken that attitude with respect to participation, I think we might well take a similar attitude with respect to neutrality."<sup>1</sup> At this point, despite close questioning from Mr. Woodsworth, he did not discuss the problem of the existence or non-existence of a legal right to neutrality, nor did he make clear the differences between neutrality and passive belligerency.<sup>2</sup> The Prime Minister claimed for the Liberal government a moderate position between the views of "a thoroughgoing imperialist" and a "regardless nationalist", and said that his conception of Canadian foreign policy could be expressed in the words of Saint Paul: "If it be possible, as much as lieth in you, live peaceably with all men." In his opinion, if the government made a rigid declaration of neutrality it would create a dangerous impression in other parts of the world and weaken the unity of both the British Commonwealth and Canada. In contrast to his opponents, and, reflecting the impressions presumably formed during his visit to London and Geneva in the previous summer, Mr. King lavished praise upon Britain as the great pacifier of Europe. One encomium even anticipated Munich in its phraseology. "What Britain has done to appease antagonisms in the last few years is something that the rest of the world hardly begins to appreciate." In keeping with his remarks on his return from Europe, Mr. King was especially appreciative of British policy in the Spanish Civil War, a policy which he felt could not be given too much credit for its success in localizing the conflict.

With what must have been unconscious irony, in view of the Riddell episode, the Right Hon. Ernest Lapointe (Liberal,

<sup>1</sup> *Commons Debates*, 1937, vol. I, p. 249.

<sup>2</sup> See the comment of Professor F. R. Scott on his remarks: "such language is the language of political dodgery rather than fact" (Canada in the Commonwealth", *Foreign Affairs*, vol. XV, April 1937, p. 439). On this point Mr. Woodsworth detected a difference between Messrs. King and Lapointe (*Commons Debates*, pp. 562-3).

Quebec East) appeared in his speech as the chief apologist for the League of Nations, though objecting to its use as an instrument of coercion. He objected to the demand for a declaration of neutrality because, in his opinion, it would involve withdrawal from both the League of Nations and the British Commonwealth. With an eye to his colleagues from Quebec he quoted Sir Wilfrid Laurier's declaration that "Whilst I cannot admit that Canada should take part in all the wars of Great Britain, neither am I prepared to say that she should not take part in any war at all. I am prepared to look upon each case upon its merits as it arises." The minister believed that covetous eyes abroad were upon Canadian natural resources, and warned the House that, "If international chiefs or gangsters ever come to assail us in a mad impulse—because the world is mad at the present time—we cannot meet them with a declaration of neutrality." Quoting an American economist who described the Spanish Civil War as the first round in a world conflict, M. Lapointe added: "if this is true, and if Canada wishes to remain outside the conflict, we must see to it that we shall be able to defend the women and children of our country should these madmen, in a moment of insane impulse, try to attack us." The third Cabinet member, the Hon. Fernand Rinfret (Liberal, Montreal-St. James, Que.), likewise disliked being bound by a rigid neutrality policy, and did not believe that Quebec would like to speak the language of the resolution. He went as far as to say, "I am too good a Britisher to hold with such language on this subject".

Of the other critics of the motion the majority decried isolation but seized the occasion to attack the international munitions makers and to utilize the disclosures of the Nye Committee in the United States. One Social Credit member pointed out "that Great Britain must be careful of European entanglements, because, while I feel certain the Canadian people are prepared to help defend the British Empire, they are not prepared to enter into a war of aggression or a war in any part of the world which does not vitally concern the well-



being of the English-speaking units of the Empire".<sup>1</sup> One of his colleagues read an official statement<sup>2</sup> on the party's behalf which placed the blame for world conditions on the present monetary system, and asserted that "the greatest success in eliminating war may be achieved by the proper adjustment of consumption in relation to production and this, we believe, can most readily be brought about by the adoption of the basic principles of Social Credit". The most unusual reason for opposing the motion came from M. Louis Robichaud (Liberal, Kent, N. B.), who feared it would lull Canadians into a false sense of security which would defeat the purpose of the resolution.

The second C. C. F. motion, a reflection of the swing towards a more North American view, urged the government to suggest to the President of the United States the desirability of convening a world conference for the securing and maintaining of world peace.<sup>3</sup> The mover, Mr. A. A. Heaps (Winnipeg North, Man.), argued that "there is in the world no other country than the Dominion of Canada that could make such a suggestion to the president of the United States with more confidence of a favourable reply", and felt that in the present critical situation the New World should give a lead to the old in securing peace. Both the Prime Minister and Mr. Bennett agreed that Canada had no business to make such a suggestion, while Mr. King confessed his growing disillusionment about the utility of conferences. One Conservative member, of strong imperialist opinions, Mr. T. L. Church (Toronto-Broadview, Ont.), detected in the motion "separatism in all its forms", while another, from Quebec, the Hon. C. H. Cahan (Montreal-St. Lawrence-St. George), utilized the motion as an opportunity for declaring that "one

<sup>1</sup> Mr. J. C. Landeryou (Calgary East, Alta.) (*Commons Debates*, 1937, vol. I, p. 540). See the comment of André Siegfried (*Canada*, pp. 297-8): "Though Canada knows full well that England must worry about and do everything possible to guard her own security, yet she always seems to be suggesting 'Not too much zeal when it comes to Europe!'"

<sup>2</sup> *Commons Debates*, 1937, vol. I, p. 545.

<sup>3</sup> *Ibid.*, p. 314.

of the most unfortunate political manoeuvres which could be adopted by the government of Canada would be to enter as a participating member in any pan-American conference or union". Because of the unstable character of the Latin American states he believed it would only result in Canada being embroiled in strife and difficulty.

The preliminary sparring on foreign policy at the opening of the session developed into a first-class debate when the Minister of Finance moved that the House go into a committee of supply for the purpose of discussing the national defence estimates. It was then that two C. C. F. members, Messrs. C. G. MacNeil (Vancouver North, B.C.) and J. W. Coldwell (Rosetown-Biggan, Sask.), moved in amendment a double-barrelled motion that suffered somewhat from covering too wide a range. The amendment was "That this house views with grave concern the startling increases of expenditure proposed by the government for purposes of national armament in contrast with the inadequate provision for the social security of all sections of the Canadian people". To the student of public opinion it is unfortunate that the Conservative party wholly abstained from the discussion of the amendment and that no member from the Maritime Provinces<sup>1</sup> participated. With these serious qualifications, the speeches of the participants in the discussion do offer a valuable revelation of Canadian opinion in the early part of 1937.

The estimates for defence had been cut drastically during the worst of the depression, dropping from slightly more than \$22 million in 1930-1 to approximately \$13 million per annum between 1932 and 1936.<sup>2</sup> The inevitable result had been a decrease in the personnel of the permanent forces, the retention of obsolete equipment, and the virtual starvation of the non-permanent militia. At the close of 1935 the combined strength of the army, navy, and air force was 675 officers and

<sup>1</sup> The Maritime Provinces were represented by 25 Liberals and one Conservative.

<sup>2</sup> The figures for 1926-7 to 1937-8 are given in *Senate Debates*, 1937, p. 252.

5,299 men.<sup>1</sup> Canada, in the words of the *Round Table*, "could justifiably claim that she had carried the process of disarmament further than any civilized country, except perhaps Denmark".<sup>2</sup>

When the Hon. Ian Mackenzie (Liberal, Vancouver Centre, B.C.) took over the portfolio of National Defence in the new Liberal government there was already available a departmental memorandum, drafted in the previous spring for the Bennett administration, that strongly urged immediate action to modernize the existing equipment and fill the gaps in the essential needs of the Department. The need was striking. As he remarked during the presentation of his estimates, "May I tell the house that when this government took office in October 1935, there was not a single fighting aeroplane in Canada, there was not a single bomb to be dropped by an aeroplane; there was scarcely any amount of ammunition for guns".<sup>3</sup> Even if the militia and air force had been adequately equipped, which was not the case, the minister explained, "Canada did not possess adequate naval forces to guarantee her neutrality in a war in which she did not wish to be a belligerent. In October 1935, Canada possessed two effective torpedo boat destroyers, two torpedo boat destroyers due for retirement or demilitarization, and one inefficient mine sweeper."<sup>4</sup> The barracks, docks, and other shore facilities were inadequate, the wireless equipment was insufficient, there

<sup>1</sup> See the table submitted by the Minister of National Defence (*Commons Debates*, 1936, vol. IV, p. 3168).

<sup>2</sup> "Canada and the Next War" (*Round Table*, vol. XXVII, March 1937, p. 420).

<sup>3</sup> *Commons Debates*, 1937, vol. I, pp. 894-5. Later in the debate the Prime Minister expressed regret that "the Minister of National Defence found it necessary to tell the house the condition in which the defence forces of this country find themselves at the present time. It does not strengthen our country to have the weak spots in its armour known all over the world."

<sup>4</sup> *Ibid.*, p. 903. The strength of the navy in February 1938 was given by Mr. King in answer to a question from Mr. Church (*Commons Debates*, 1938, vol. I, p. 382). Similar figures for the air force on March 21, 1938 (*ibid.*, vol. II, pp. 1532-3).

was not a single anti-aircraft gun in the whole of Canada, and the stock of field-ammunition was "precariously low".<sup>1</sup> Faced by these disturbing conditions, Mr. Mackenzie had wished to present considerably increased estimates in the 1936 session. His proposals were vetoed by the Prime Minister and the Cabinet on the rather curious ground that, to quote Mr. King, "With the European situation as it stood at the time, as a government we felt it would be unwise to arouse discussion . . . when there was the possibility that our action would have been entirely misunderstood by other countries as well as our own. We urged the Minister of National Defence not to press for moneys to make good the depletions and deficiencies in defence to the extent he deemed necessary until the European situation, as it related to the war between Italy and Ethiopia, has somewhat cleared."<sup>2</sup> It was also thought advisable to secure irrefutable proof that the sums requested were absolutely essential.<sup>3</sup> Consequently, the 1936-7 estimates only totalled \$23,683,641, including a vote of approximately \$4,000,000 for civil aviation and civil government air operations, and the minister cautiously announced at that time, "We are proceeding as fast as the economic resources at present available will permit us to proceed". The air force received a very slight increase in men and machines, while the vote for the permanent militia was actually less than in the previous year. Then Mr. C. G. MacNeil (C.C.F., Vancouver North, B.C.) criticized the appropriation as "a cardboard front as far as defence purposes are concerned", while one of his colleagues added that "in my opinion a country the size of Canada, with its diverse peoples and small population, is best

<sup>1</sup> *Commons Debates*, 1937, vol. I, p. 904. For an able analysis of Canadian defence policy, see C. P. Stacey, "New Trends in Canadian Defence Policy" (Canadian Institute of International Affairs, *Canadian Papers*, 1938, pp. 55-72); and *Canada and the Second World War* (Oxford Pamphlets on World Affairs, Toronto, 1940).

<sup>2</sup> *Commons Debates*, 1937, vol. II, p. 1051.

<sup>3</sup> In opposing the estimates, Mr. MacNeil, who was critical of the permanent force staff officers, declared that it was an open secret that they offered "definite opposition to the very modest plan of reorganization of the department which was partly attempted by the Minister".

defended if we rely upon our weakness physically and our good will as a good world neighbour, rather than attempts to ape the military powers of the European countries".<sup>1</sup>

After Parliament adjourned in 1936 the Cabinet re-examined the situation, and may possibly have been encouraged in its decisions by the visit of Sir Maurice Hankey during the summer. In August the Prime Minister established a sub-committee of the Cabinet, known as the Canadian Defence Committee, consisting of the Prime Minister, as chairman, and the Ministers of Justice, Finance, and National Defence. Every member of the Cabinet was given a secret memorandum from Mr. Mackenzie, setting forth in detail what was being proposed, what needs were likely to be served, and at what cost they would be met. The new Defence Committee held three meetings with the chiefs of the militia, and the naval and air forces, considering every item of the proposed increases.<sup>2</sup> Another inter-departmental committee was appointed to make an industrial survey of Canada with a view to seeing what could be done in producing munitions in Canada, while a joint supply committee from the Department of National Defence had surveyed about sixty or seventy industrial plants by the time Parliament had assembled.<sup>3</sup> When the Cabinet discussed the proposed appropriations before the 1937 session, the majority was still opposed to the large increases recommended, and is believed to have cut them by approximately 30 per cent.<sup>4</sup> The first public forecast of

<sup>1</sup> Mr. J. W. Coldwell (*Commons Debates*, vol. IV, p. 3203).

<sup>2</sup> Mr. King (*Commons Debates*, vol. II, p. 1051).

<sup>3</sup> Mr. Mackenzie (*Commons Debates*, vol. II, p. 1110). By May 16, 1938, 768 firms had been surveyed.

<sup>4</sup> The Canadian correspondents of the *Round Table* placed the initial estimates at \$50 million and said the Middle Westerners in the Cabinet were among the most vigorous critics. See "The Canadian Defence Dilemma" (*Round Table*, vol. XXVII, June 1937, p. 547). The apparently well-informed "Politician with a Note-Book", of *Maclean's Magazine*, in his articles of Nov. 15, 1936, Jan. 1, March 1, and April 1, 1937, offered shrewd forecasts of policy and comments. He listed as opposed to large increases, Messrs. Dunning, Crerar, Gardiner, Cardin, Lapointe, Howe, Rogers, Euler, and Hlaley.

policy was given in a speech by the Defence Minister at Victoria in October 1936, which based Canadian defence policy on the resolution of the Imperial Conference of 1926 that made each Dominion primarily responsible for its local defence.<sup>1</sup> The minister also posed for news-reel pictures in which he stressed the need of assuring Canadian security. In January 1937, just before Parliament assembled, Mr. Mackenzie was to have delivered a national radio talk on the same topic, but it was cancelled at the last moment. It was rumoured that the cancellation was caused by the government's fear of displaying too much zeal in rearmament, although the Prime Minister made it plain at a party caucus that his followers "would have to vote for his estimates or take the consequences".<sup>2</sup> The estimates, as tabled on January 18, after allowance is made for a transfer of certain items to the budget of another Department, showed an increase of \$11,600,000, and totalled \$34,089,883.<sup>3</sup> This increase of approximately 70 per cent. was to be used in the main for stores and supplies, and coastal and aerial defence. The navy was to purchase from Britain two modern destroyers and to acquire four modern mine sweepers. The air force was to purchase 102 machines and to increase its strength by 48 officers and 565 men. The coastal defences were to be

<sup>1</sup> At about the same time Mr. Mackenzie protested against the suggestions of "peregrinating imperialists" about Canadian rearmament, after a prominent English politician and business man had made several public statements during his tour of Canada. The minister's tactical gesture, while it was strongly criticized in some English-speaking quarters, was popular in the province of Quebec, as subsequent debates in the House very clearly showed.

<sup>2</sup> "The Canadian Defence Dilemma", p. 547. This article stated that a majority of the Liberals were hostile, at first, even to the estimates in their revised form. During the House debates, Miss Macphail remarked: "I believe, if party discipline were removed, the Prime Minister would be surprised at the number of his followers who would vote for this amendment and against an increase in the military estimates" (*Commons Debates*, 1937, vol. II, p. 1067).

<sup>3</sup> Ultimately, with supplementary votes, they reached a total of \$36,034,071, of which the air force secured \$11,750,000, an increase of \$6,756,000.

modernized and expanded, with the priority being given to the Pacific coast, and the militia was to be reorganized and to some extent mechanized.<sup>1</sup>

In the debate on the C. C. F. amendment, over forty members participated, including five Cabinet members and a score of French Canadians. This unusual loquacity on the part of the members from Quebec, who are normally among the silent supporters of the government, indicated their concern in the situation, and their conviction that it was necessary to place on record their position for the future edification of their constituents. When a division was called for, the C. C. F. amendment was defeated by 191 to 17, with only a few Social Credit members backing the C. C. F. However, in the discussion of the estimates in detail, party discipline was less rigid and the opposition vote rose to twenty-six, with one Manitoba Liberal (Mr. J. T. Thorson, Selkirk), and a few French Canadians joining the C.C.F. As was argued in the discussions, the large vote in favour of the estimates did not adequately reveal the degree of opposition in the country. Thus Mr. Sam Factor (Liberal, Toronto-Spadina, Ont.) stated that "In the last few days I have received hundreds, literally hundreds of communications from my own constituency, opposing the increase in the estimates of the Department of National Defence". He pointed out that his correspondents were not in the majority wild-eyed radicals but men of good Anglo-Saxon stock. Among his correspondents had been ministers, professors, students, womens' organizations, and presidents of home and school clubs. A C. C. F. speaker, in supporting his belief that the point of view expressed in the amendment was not confined to one political party, quoted resolutions adopted by the city

<sup>1</sup> As Mr. Stacey points out in his article, the result of the reorganization was to reduce unreal paper strengths of infantry, to increase the proportion of artillery, engineer, and signal units, and to make provision, for the first time, for armoured car regiments and tank battalions. All these plans were based on future deliveries of equipment, and in the summer of 1938 Canada still lacked effective anti-aircraft guns, tanks, armoured cars, and heavy ordnance for coast defence.

councils of Montreal and Kitchener.<sup>1</sup> On the other hand, it should also be noted that the depth of imperialist sentiment was never effectively indicated in the House of Commons because of the deliberate abstention of the Conservatives, and only found adequate expression in the Senate.<sup>2</sup> That is why the *Round Table* correspondents in Canada criticized the debate as "marked by evasion and an atmosphere of unreality", and added glumly, "The truth is that on the defence issue, as on the larger issue of foreign policy, both mind and feeling in Canada are in a state of chaos. . . . Slowly, reluctantly, the country is arming, but there is no united conviction either upon the necessity for armaments or upon the purpose for which they are intended."<sup>3</sup>

The government case for the estimates was based upon the need to make good the serious deficiencies that have already been described, the increasingly dangerous world situation,<sup>4</sup> and the necessity that Canada should not lean on the United States for protection. The Hon. Ian Mackenzie denied that he was initiating any departure from previous policy and described his estimates as an honest attempt "to see to it that we have something effective and efficient for the purpose of direct defence of Canada, for the purpose of defending our neutrality should it be assailed by anyone outside". As should be expected, he declared also that the possibility of conflict with the United States had been entirely discounted, a declaration reaffirmed by the Liberal leader in the Senate. Repeatedly the Prime Minister and others vowed that the estimates were solely for the defence of Canada and were not the result of imperial consultations or

<sup>1</sup> These resolutions are quoted in *Commons Debates*, 1937, vol. II, p. 1060.

<sup>2</sup> See discussion below, pp. 66-8.

<sup>3</sup> "The Canadian Defence Dilemma", pp. 548-9.

<sup>4</sup> See Mr. W. A. Fraser (Liberal, Northumberland, Ont.). "We must increase these expenditures in order to protect ourselves as Great Britain can no longer help us" (*Commons Debates*, 1937, vol. I, p. 963). Mr. J. A. Glen (Liberal-Progressive, Marquette, Man.) was emphatic on the danger from the dictators.



representations.<sup>1</sup> Characteristically, Mr. King also expressed the ambitious hope that

it will not be thought that because we have laid emphasis on the fact that what we are doing we are doing for Canada, we are not thereby making some contribution towards the defence of the British commonwealth of nations as a whole, or that we are not making some contribution towards the defence of all English-speaking communities, that we are not making some contribution towards the defence of all democracies, that we are not making some contribution towards the defence of all those countries that may some day necessarily associate themselves together for the purpose of preserving their liberties and freedom against an aggressor, come from wherever he may.<sup>2</sup>

Balancing this suggestion that Canada was moving on lines parallel to those of other democracies, for a common purpose, was the appeal to Canadian nationalism contained in Mr. Mackenzie's argument: "the more you believe in, the more you subscribe to doctrines of Canadian nationalism, the more must you provide for the defence of the Dominion of Canada. You cannot any longer lean upon the alliances or the implied alliances of the past; you can no longer lean upon the implications of the Monroe doctrine. If you are

<sup>1</sup> Answering a charge by Mr. J. W. Coldwell that the estimates could only be justified by military commitments, the Prime Minister declared: "There are no commitments and no understandings in the nature of commitments between this government and the government of Great Britain or any other government" (*Commons Debates*, 1937, vol. I, p. 890).

<sup>2</sup> *Ibid.*, vol. II, p. 1058. Commenting upon this statement in an address at Chatham House in June 1937, Mr. E. J. Tarr observed that the words just quoted "gave comfort in turn to the Isolationist, to the Imperialist, and to the North American". He compared the Prime Minister to a dexterous juggler keeping several balls in the air at once, Isolationism, North Americanism, Imperialism, and Collectivism, and neatly added: "One sees them going up and coming down with rhythmic regularity, and suddenly they are lost in the polished phrases of a platitudinous peroration—the magician's handkerchief. And yet it is statesmanship honestly striving for national unity" ("Canada in World Affairs", *International Affairs*, vol. XVI, Sept.-Oct. 1937, pp. 685-6).

going to profess the virtues and the pride of nationalism, you must face your responsibilities and meet your obligations in accordance with the status of sovereignty."<sup>1</sup> The Hon. J. G. Gardiner (Liberal, Assiniboia, Sask.) the Minister of Agriculture, also maintained that it would be unfair to rely solely upon friendly American protection. "The very fact that they were friendly and the very fact that we had neglected our own house would compel them to insist in self defence that we protect that long coast line which has remained unguarded for over a hundred years because of the peace that has existed between us."<sup>2</sup> Another Liberal from British Columbia, Mr. T. J. O'Neill (Kamloops, B.C.), put it more pithily: "As a Canadian I do not want to be riding on the coat-tails of Uncle Sam. They are good and long but I do not want to ride on them."<sup>3</sup> But, equally significantly, a French Canadian commented: "As regards imperialism, I think that American imperialism is not any better, nor any brighter, nor any more desirable than British imperialism."<sup>4</sup>

The Minister of Mines, the Hon. T. A. Crerar (Churchill, Man.), twitted Canadian Socialists with refusing to adopt a policy of self-defence which their fellow Socialists in France and Sweden had adopted. To meet the charge of seriously limiting relief appropriations in order to purchase arms, the Prime Minister submitted an elaborate table of expenditures<sup>5</sup> to show how much had been spent on the social services as compared to defence. The most useful red herring in the debate was the alleged menace of Communism to the internal safety of Canada, which apparently had considerable effect upon the views of the French-Canadian members. Thus Mr. Lapointe remarked, at the close of the session, after discussing the work of the Royal Canadian Mounted Police: "This

<sup>1</sup> *Commons Debates*, 1937, vol. I, p. 902.

<sup>2</sup> *Ibid.*, p. 953.

<sup>3</sup> *Ibid.*, p. 1030. One of his colleagues from the same province, Mr. Tom Reid (Liberal, New Westminster, B.C.), stressed how precarious the position of British Columbia would be in the event of an American-Japanese war.

<sup>4</sup> *Ibid.*, p. 956.

<sup>5</sup> *Ibid.*, p. 1042.

session we have taken means to increase another force we have available to maintain internal order in case of emergency, as well as to defend our coasts. I do not know whether it will astonish the house and the hon. member who has just spoken if I tell them that these increases in the estimates have been bitterly criticized by communists and those associated with communism in this country."<sup>1</sup> M. Maurice Lalonde (Liberal, Labelle, Que.), who found it "unfortunately necessary" to support the estimates since he was strenuously opposed to Canada's participation in foreign wars, exclaimed: "I want the constituted authorities to be strengthened in such a way that they may be able to hold in check the revolutionary mob whose existence is not recognized in certain quarters but which is planning, under cover, to destroy our secular institutions, in order to raise upon their smoking remains the haughty structure of their pagan universities and Godless schools."<sup>2</sup> The more sceptical could see little connection between the increased votes for aeroplanes, mine sweepers, destroyers, and coastal defences, and the menace of internal uprisings, but their comments went unheeded.<sup>3</sup>

The opposition to the increased estimates was embarrassed by the rift between those members who wanted adequate armaments for defence, but suspected that the government was really planning for co-operation with Britain in a European war, and those who felt that Canada was perfectly safe because of geography and the United States, saw no new danger on the horizon, and objected to money being

<sup>1</sup> *Commons Debates*, 1937, vol. III, p. 2295. It is rather puzzling that at that time the Canadian Communists should apparently not be in accord with the "party line" of the Communist International on armaments for defence against fascism and on behalf of a democratic front.

<sup>2</sup> *Ibid.*, vol. I, p. 995. Similar views were expressed by Messrs. Maxime Raymond (Liberal, Beauharnois-Laprairie, Que.), L. D. Tremblay (Liberal, Dorchester, Que.), and A. H. Mitchell (Social Credit, Medicine Hat, Alta.).

<sup>3</sup> Among these were Messrs. P. J. Rowe (Social Credit, Athabaska, Alta.), J. T. Thorson (Liberal-Progressive, Selkirk, Man.), J. A. Crête (Liberal, St. Maurice-Lafleche, Que.), Charles Parent (Liberal, Quebec West and South), and Angus MacInnis (C.C.F., Vancouver East, B.C.).

diverted from relief projects for the unemployed.<sup>1</sup> A very few members would have favoured increased armaments if they had been, certain of their being used only in concerted action for collective security under the aegis of the League of Nations.<sup>2</sup>

Mr. Grant MacNeil, the mover of the C. C. F. amendment, pleaded for a cool and calm appraisal before the arrival of war-time hysteria destroyed reason. Despite all disclaimers from the government, he was convinced that "we are planning to intervene on the side of Great Britain in a European struggle", and insisted that such plans as had been disclosed "point clearly to preparations for the training and equipment of an overseas expeditionary force".<sup>3</sup> This conviction of Mr. MacNeil's was re-echoed by Mr. J. W. Coldwell, who added that "the government may not consciously believe that that is the interpretation we should put upon them, but in view of the fact that we do not need these defence forces for the defence of our own shores, or an increase in that defence, what other interpretation is possible?"<sup>4</sup> The most forceful exposition of the argument that no new danger had arisen to justify the increase in estimates came from M. Maxime Raymond (Liberal, Beauharnois-Laprairie, Que.), who remarked: "What did happen during this short period [since the

<sup>1</sup> See the speech of M. Pierre Gauthier (Liberal, Portneuf, Que.) (*Commons Debates*, 1937, vol. I, pp. 1004-8), and the views of Mr. T. C. Douglas (*ibid.*, p. 1063).

<sup>2</sup> This would approximate to the views of Messrs. Thorson and MacInnis.

<sup>3</sup> *Commons Debates*, 1937, vol. I, p. 884.

<sup>4</sup> *Ibid.*, p. 889. In comments outside the House it is noticeable that this point of view was held not only by radical opinion (see articles in the *Canadian Forum* on "The Folly of Canadian Re-armament", vol. XVI, Feb. 1937, and "An Anglo-Canadian Military Alliance", vol. XVII, June 1937) but by the "Politician with a Note-Book" in *Maclean's Magazine*, April 1, 1937, by the Hon. G. Howard Ferguson, and by the Canadian correspondents of the *Round Table*, who remarked that "Only the Socialists admitted and decried the obvious fact that the Dominion was providing itself with the nucleus of a martial establishment able to serve as a Canadian contribution to Empire defence in an Empire war, should such a war eventuate".

last session] to justify such a substantial increase, apart from the visit of Lord Elibank, following the warning of Sir Samuel Hoare?<sup>1</sup> Our boundaries are the same. Our neighbours are the same and are just as peaceful as they were. Our geographical position has not changed and we are still separated from Europe and Asia by oceans, that mean almost an absolute security. We have no enemies that we know of. Moreover, the friction that existed by reason of the sanctions against Italy has disappeared since these sanctions have been removed.”<sup>2</sup>

The argument that armaments mean war was advanced by Mr. J. T. Thorson, who raised his voice “in earnest protest against these proposed increases . . . because I am afraid that we are embarking upon a policy of preparation for war, and that such a policy will tend to participation in war although those who now initiate the policy honestly and sincerely intended it to be one of purely national self defence”.<sup>3</sup> An enlightening comment on the attitude of French Canada came from M. E. B. Bertrand (Liberal, Laurier-Montreal, Que.) who said: “if national defence meant contribution to the future wars of Europe, then I say undoubtedly I would have to be against national defence. If it meant contribution to European wars, I am sure that the people of my own province would soon ask themselves the question: Is it worth while to stay within the British Empire if we have to go to war because South Africa wants its independence recognized, because Germany wants its colonies back, or for any other reason?”<sup>4</sup>

During the discussions on the supplementary estimates, at the close of the session, the Right Hon. R. B. Bennett

<sup>1</sup> A reference to Sir Samuel's Bradford speech urging Empire support for an Empire naval policy.

<sup>2</sup> *Commons Debates*, 1937, vol. I, p. 909.

<sup>3</sup> *Ibid.*, p. 926. The same fear was voiced by M. Parent and Miss Macphail.

<sup>4</sup> *Ibid.*, p. 918. It is noticeable that only four English-speaking members openly or by implication expressed themselves as opposed to participation in overseas wars.

made a significant intervention on the question of naval policy. He quoted extensively from the speeches made by Sir Wilfrid Laurier before 1914 to show the justification for pursuing a policy of close co-operation with the British authorities in respect of naval defence. He urged that members "might again endeavour to forget some of the animosities and differences that have too frequently been manifest when dealing with a problem of the magnitude of the naval defence of this country", and expressed the hope "that when the Prime Minister and his delegation go to England and confer with the admiralty they might be able to arrive at a common understanding which would look not merely to the defence of our own shores but, in the words of the late Sir Wilfrid Laurier, more to the defence of civilization and the maintenance of world peace by the defence of the British Empire itself".<sup>1</sup> Mr. King adroitly hailed the speech as a complete endorsement of Liberal naval policy before 1914 and added that the government had always regarded the Laurier policy as the wise and sound one. Consequently the Canadian Naval Service Act was still the basis of Canadian defence policy. But he evaded any response to Mr. Bennett's appeal for co-ordinating the Canadian effort with the larger effort.<sup>2</sup>

In view of the strong religious appeal which the cause of General Franco made to the people of Quebec, it is surprising that reference to the Spanish Civil War did not appear more often in parliamentary debates.<sup>3</sup> It is true

<sup>1</sup> *Ibid.*, vol. III, p. 2224.

<sup>2</sup> The political correspondent of *Maclean's Magazine*, the nearest equivalent in Canadian journalism to Messrs. Drew and Pearson, of "Washington Merry-Go-Round" fame, in his article of May 1, 1937, thought this exchange of views highly significant and even suggested that it had been carefully rehearsed. Senator Duff praised Mr. Bennett for "perhaps the greatest tribute paid to Sir Wilfrid Laurier" (*Senate Debates*, 1937, p. 249).

<sup>3</sup> See Professor Toynbee's belief that the ideological sympathy of Quebec and Brazil for Nationalist Spain was stronger than anywhere else in the Americas (*Survey of International Affairs*, 1937, London, 1938, vol. II, p. 212).

that the comment of M. Maxime Raymond on the departure of Canadian volunteers to enlist in what he called the red army of Spain—"This, I admit, does not give me any sorrow; it will rid us of these undesirable people, provided they do not return here"—was greeted with applause from some members in the House.<sup>1</sup> But the sense of aloofness from Europe was perhaps even stronger in Quebec than the willingness to give General Franco material support. That may explain why French Canada was more interested in blocking assistance to the Spanish Republic than in facilitating direct aid to General Franco. As a consequence the government was able to place a rigid embargo on help for Spain, in men or materials, well aware that by so doing it could claim support from both the imperialist, by arguing that it was following the British example (although Canada was not a member of the Committee on Non-Intervention in Spain), and the nationalist, by a practical demonstration of its desire to avoid European complications. At the opening of the session, and twice shortly afterwards, the government was asked if it intended to prohibit Canadian volunteers from fighting in Spain. The Minister of Justice replied that the government had planned to bring down a Foreign Enlistment Act for Canada to supersede the existing imperial one, and that in its draft bill it would deal with the question. When the bill was introduced two months later it therefore not only prohibited military assistance to the enemies of a friendly state, but authorized the government by order in council, to apply it "with necessary modifications to any case in which there is a state of armed conflict, *civil or otherwise*, either within a foreign country or between foreign countries". The bill provoked little discussion, except on the technical matters of draftsmanship, and the wishes of C. C. F. members were met by not making the Act retroactive. In its anxiety for strict neutrality the government also provided that surgical, medical, and other humanitarian units should be permitted to serve in Spain only if they were "under the

<sup>1</sup> *Commons Debates*, 1937, vol. I, p. 910.

control or supervision of the Canadian Red Cross or other recognized Canadian humanitarian society".<sup>1</sup>

During the debates on the Foreign Enlistment Act, C.C.F. members pointed out that it provided no barrier to exports of arms and munitions to either party in the Spanish Civil War, and quoted statistics of trade figures with Spanish Morocco to show that General Franco was making purchases for war purposes in Canada.<sup>2</sup> The government met this argument by including, in a bill amending the Customs Act, a section which lacked nothing in comprehensiveness, and which gave it powers even wider than those given to the Roosevelt government in the American Neutrality Act of 1937. It gave the government power by order in council "to prohibit, restrict or control the exportation . . . of arms, ammunition, implements or munitions of war, military, naval or air stores, or any article deemed capable of being converted thereinto or made useful in the production thereof, or provisions or any sort of victual which may be used as food by man or beast". One unexpected comment on the bill came from Senator and General W. A. Griesbach (Conservative, Alta.), who hoped that "the Government will proceed in this matter with wisdom, understanding and knowledge, . . . and with the one object of promoting the national interest". He feared that the clause might be used unfairly to the detriment of a sound industry like the manufacture of armaments, which ought to be developed and which no one had defended in the discussions.<sup>3</sup> Mr. Woodsworth conceded that the bill

<sup>1</sup> The debates in Parliament did not indicate the general Canadian working-class sympathy with the Spanish Republic, such as could be found, for instance, in the resolution passed by the Canadian Trades and Labour Congress in the autumn of 1937, and in the considerable number of volunteers who formed a Mackenzie-Papineau battalion in the Spanish government forces.

<sup>2</sup> *Commons Debates*, 1937, vol. I, p. 885.

Exports to Morocco		1935	1936
September . . . . .	\$	1,929	\$296,752
October . . . . .		14,461	291,135
November . . . . .		4,392	678,101
December . . . . .		4,836	505,809

<sup>3</sup> *Senate Debates*, 1937, pp. 330-2.



placed enormous powers of licensing exports of armaments in the hands of the government but did not feel that it went far enough to control production or restrict profit-making from munitions.<sup>1</sup>

The effect of the international situation on one important section of Canadian public opinion was revealed in the Senate debates of this session. Despite the excitement aroused by the Italo-Ethiopian War, the Senate had successfully avoided any comments on foreign affairs in the previous year. Its debates were essentially an indication of the views of the older age groups in Canada, because of its composition, and because the Conservative party had a substantial majority in it.<sup>2</sup> With the C.C.F. and Social Credit parties and the younger Liberals entirely unrepresented, it is of course as inadequate a gauge of the national outlook as is the House of Lords in Great Britain. In the Senate the discussions of foreign policy were precipitated by the comment of a comparatively young, newly-appointed member, the Hon. A. K. Hugessen (Liberal, Que.). In moving the reply to the address from the throne, he described the views on foreign policy of extreme schools of thought, such as the isolationists and imperialists, and observed: "I do not think it will be denied that public opinion in this country would never sanction the idea that Canada should intervene with armed forces in any dispute however trivial or however far removed from this country, merely because another part of the empire was involved in the dispute." On the other hand, if Britain were at war with a major power, he did not believe that "public opinion in this country would ever tolerate a state of affairs in which we not merely kept out of the conflict, but engaged in selling to the opposing government munitions and materials of war to be used in fighting against Great Britain.

<sup>1</sup> *Commons Debates*, 1937, vol. III, pp. 2499-500.

<sup>2</sup> At the time of the debates there were 53 Conservatives, 37 Liberals, and 6 vacancies. In *Fortune's* survey of Canada, of September 1938, comment was made on the "astonishing fact" that 43 members of the Canadian Senate held 199 directorships or offices in 154 companies whose known assets, without duplication, amount to over 50 per cent. of Canadian industry and finance.

It seems to me that the least we could do under circumstances of that kind would be to break off trade relations with the opposing power." So he preferred a middle course—"to take no definite stand, but to wait upon events and finally, if and when a crisis arises, decide what attitude we shall take in that crisis in the light of circumstances existing at that time, and in the meantime to continue our support of the League of Nations".<sup>1</sup> Senator Arthur Meighen (Ont.), a former Prime Minister and the Conservative leader in the Senate, took a diametrically opposite stand. He objected to the vagueness of Mr. King's Geneva speech, arguing that "If the League is only to be told by spokesmen for this Dominion that whatever happens Canada's Parliament will decide what Canada is to do, then I affirm that the League is told exactly and absolutely nothing". He deplored the absence in that speech of any word of appreciation for Britain's struggle to hold the world in peace, and complained that "never a word spoken of our affiliation and obligation there could not have been spoken by an American citizen".<sup>2</sup> Senator Meighen thought the defence estimates inadequate and ineffective, and insisted that there could not be any independent defence of this Dominion. In his opinion the first line of defence for the whole North American continent was the British Empire, and, if once Canada invoked the Monroe doctrine for its protection, she became "in fact, if not in law, an adjunct, and a humiliated adjunct, of the American Republic from that moment on".<sup>3</sup> The Conservative leader sharply criticized Senator Hugessen's concept of a middle course and believed that any policy which contemplated isolation or desertion of Britain would split Canada in twain. Like Mr. Woodsworth, he realized that no such policy was under consideration by the government, but feared most of all the absence of any policy. The Liberal leader, Senator Raoul Dandurand

<sup>1</sup> *Senate Debates*, 1937, pp. 7-8.

<sup>2</sup> See André Siegfried's remark that, when a Canadian speaks at Geneva, "Close your eyes, and you might easily think that the voice of America were speaking" (*Canada*, p. 290).

<sup>3</sup> *Senate Debates*, 1937, pp. 12-13.

(Que.), replied by stressing the need for caution when public opinion was so divided. While admitting the existence of "the considerable body of sentiment in favour of rushing to the defence of the Mother Country", he prescribed a cautious policy for Canada of attending to the protection of her own shores and the modernizing of her militia establishment, and awaiting the future.<sup>1</sup> To this Senator C. C. Ballantyne (Que.), a former Conservative Minister of Marine, answered that Canada could not possibly defend her own sea-coast, and should therefore co-operate with Britain, while another Conservative, Senator George Lynch-Staunton (Ont.), pleaded for the evolution of a non-partisan policy which would avert the danger of internal disunity. With this suggestion Senator J. J. Hughes (Liberal, P.E.I.) concurred. In reply, a French Canadian criticized this "marathon of flag-waving", while Senator J. P. Molloy (Liberal, Man.) thought that 90 per cent of the Canadian people were opposed to taking any part in European wars, and that if Great Britain fought in one in which Canada had no interest, "so far as I am concerned she will have to fight it out alone". The opposite view came from Senator F. B. Black (Conservative, N.B.) who said bluntly that "every thoughtful citizen of this country must know that in order to defend itself Canada may have to go outside its own borders".<sup>2</sup>

Later in the session a debate on naval policy was initiated by Senator Ballantyne, who referred to "the unfortunate and disheartening record of our naval service" and the lack of adequate discussion of the problem of naval defence in the House of Commons. He believed that Canada was utterly unable to protect either her coast-lines or her sea-routes, and that, in the future, as in the past, she must rely on British protection. With this argument General Griesbach entirely concurred in a carefully prepared speech<sup>3</sup> which declared that secession was not feasible, neutrality was impossible,

<sup>1</sup> *Ibid.*, pp. 15-16.

<sup>2</sup> *Ibid.*, pp. 16-30, 40.

<sup>3</sup> *Ibid.*, pp. 171-4. Earlier in the session, writing in the *Queen's Quarterly*, vol. XLIV, spring 1937, the General had sharply criticized the Commons debate on neutrality.

and the only course was "the policy of full co-operation with the British Empire in matters of defence, or, as I put it, collective security within the Empire". Another General, Senator A. H. Macdonell (Conservative, Ont.), asked, "Are we to sponge any longer on the Mother Country and go with our hats in our hands, saying 'Please help us and protect us against the enemy in case of war'?", and described the existing situation as disgraceful. The generals' oratorical harmony was broken by another Senator, General A. D. McRae (Conservative, B.C.), who, three years previously, had advocated withdrawal of Canada from the League of Nations, and was opposed to participation in a European war. He believed that "After another war there would be little left of Europe—and little of Canada, too, if we were in it". Senator William Duff (Liberal, N.S.), who admitted that he had entirely changed his views on naval defence, supported Senator Ballantyne, but also felt that Canada should have no hesitation in calling upon or expecting help from the United States, since it was vital to the United States never to allow a hostile power to gain a foothold on Canadian soil.

During the debates in the Commons more than one speaker referred to the forthcoming Imperial Conference, scheduled to meet after the Coronation ceremonies, in anticipation of which the session had, by common consent, been expedited. This Conference should have been of special importance, as the first meeting since 1930 devoted to the discussion of the whole field of policy, and not merely to economic matters, as at Ottawa in 1932. In the seven-year interval the international situation had changed almost beyond recognition, while "National" governments had been formed in Britain, Australia, and South Africa, New Zealand had a Labour government for the first time in its history, and the Irish Free State, under Mr. De Valera, was embroiled with Britain in an acrimonious dispute over land annuities and tariff policy, which kept it from attending the Conference. With the world embarked upon a sharply accelerated armaments race, it was natural to expect discussion of the nature

and methods of the defence of the British Commonwealth. However, before leaving for London, Mr. King had made it clear that he regarded an Imperial Conference "as no different from a dominion-provincial conference here in what it involves in the way of commitments by governments participating". Just as no province found itself bound in any way by what was said at a dominion-provincial conference, so the Canadian Parliament would be left free to decide Canadian policy in foreign affairs and defence.<sup>1</sup> Mr. King's caution was presumably shared by other overseas Prime Ministers who, in two Dominions, Australia and South Africa, had general elections to face in the near future. At all events the press reports of the Conference discussions gave the impression, as the editor of the *New Statesman* remarked, that nothing of more significance had taken place "than a dinner of the Royal Antediluvian Order of Buffaloes or an annual re-union of university alumni". The published resolutions on policy might well have served as a handbook of imperial platitudes, and provoked the leading British periodical devoted to the study of imperial problems to remark acidly that "the world today is too dangerous a place in which to deceive the mind and confuse public opinion by means of verbal generalities".<sup>2</sup> The *Round Table* also protested against Mr. King's political theory that important decisions cannot be taken without the prior assent of Parliament as "false and dangerous doctrine". The most significant element of the section of the Conference report on foreign policy, which solemnly announced each member's first objective as the preservation of peace and declared that "all desire earnestly to see as wide a measure of disarmament as possible", was the foot-note which agreed that nothing in the statement diminished the right of each government to support its statement of policy as submitted to the League Assembly

<sup>1</sup> *Commons Debates*, 1937, vol. II, p. 1057. This position was confirmed by M. Lapointe in answering a question in the House of Commons on the agenda of the Conference (*ibid.*, p. 1721).

<sup>2</sup> "The Imperial Conference" (*Round Table*, vol. XXVII, Sept. 1937, p. 708).

in September 1936. Only thus could New Zealand, Canada, South Africa, and Britain still snuggle under the imperial blanket of platitudes. The section of the report on defence was a summary of national policies, "rounded off with a few generalities",<sup>1</sup> but contained a few hints of co-operation in some quarters. The economic section also had its share of innocuous statements such as "the healthy growth of international trade accompanied by an improvement in the general state of the standard of living is an essential step towards political appeasement", although Mr. J. W. Dafoe later argued in an article on the Conference that the discussions might be of value in furthering the conversations for an Anglo-American trade pact.<sup>2</sup> He also ventured the opinion that judging by the Conference report "it can be said without hesitation that the Canadian view had prevailed". At all events the lack of enthusiasm for the Conference shown by the Prime Ministers of New Zealand and Australia, when they returned to their respective capitals, and the comment of Mr. King on his return to Canada that the function of the Imperial Conference was discussion and review rather than decision and action, went a long way to confirm the conjecture.

The Canadian periodical literature of 1937 reveals a growing realization that Canadians, like all other peoples, should and must take stock of their position in the post-League world to which power politics had returned, naked and unashamed. The series of national radio talks on defence, from the Kelsey Club of Winnipeg, subsequently published in pamphlet form,<sup>3</sup> and the four articles on the Canadian defence problem in *Maclean's Magazine*, were significant attempts

<sup>1</sup> H. V. Hodson, "The Imperial Conference" (*International Affairs*, vol. XVI, Sept.-Oct. 1937, p. 664). In his speech of March 30, 1939, the Canadian Prime Minister thought that the general recognition of diffusion of responsibility, a decentralization in defence, and the greater importance of local defence constituted "perhaps the chief significance of the Imperial Conference of 1937".

<sup>2</sup> J. W. Dafoe, "The Imperial Conference of 1937" (*University of Toronto Quarterly*, vol. VII, Oct. 1937, pp. 13-17). See also F. H. Soward, "The Imperial Conference of 1937" (*Pacific Affairs*, vol. X, Dec. 1937, pp. 441-9).

<sup>3</sup> The Kelsey Club of Winnipeg, *Canadian Defence—What We Have To Defend*.

to arouse public interest, and clearly revealed the differences of opinion which have already been discussed.<sup>1</sup> At the fourth Study Conference of the Canadian Institute of International Affairs in May 1937 the topics discussed were "Canada's Defence Policy" and "Canada and the Americas".<sup>2</sup> The latter produced an interesting controversy on the wisdom of joining the Pan-American Union which was paralleled by a discussion of co-operation with the Americas in the annual Conference of the League of Nations Society in Canada, in which Professor C. G. Fenwick, an American delegate to the Buenos Aires Inter-American Conference, participated. Professor Fenwick presented the interesting argument that Canada's partnership in the Pan-American Union would greatly strengthen League of Nations sentiment in the United States.<sup>3</sup> A third plea for Canadian membership in the Union came at the second biennial Conference on Canadian-American Affairs at Kingston, when Dr. James Brown Scott, a former Canadian, strongly advocated such a course, and revealed the fact that the United States had been willing to second an invitation to Canada in 1928 but had feared a possible rebuff.<sup>4</sup> In the summer Conference of the Canadian Institute on Economics and Politics, the theme was "World Currents and Canada's Course", and after five lectures on world politics, another five analysed economic, racial, and other factors in the evaluation of Canadian foreign policy.<sup>5</sup>

Insistence upon the difficulty of developing a foreign policy which would command the willing support of a majority of

<sup>1</sup> The articles were by the Hon. G. Howard Ferguson, April 15, Professor Frank Underhill, May 15, M. Jean Bruchési, June 15, and Mr. E. J. Tarr, July 1.

<sup>2</sup> Pamphlets covering these topics were produced by Messrs. G. deT. Glazebrook, Winslow Benson, and F. H. Soward. An informal straw vote on joining the Pan-American Union taken at the C.I.I.A. conference round table which discussed "Canada and the Americas", revealed eleven in favour, six opposed, and four preferring to "wait and see".

<sup>3</sup> See the record of the discussions in *Collective Action* (Ottawa, 1937).

<sup>4</sup> The proceedings were published by the Carnegie Endowment for International Peace (Boston, 1937).

<sup>5</sup> Violet Anderson (ed.), *World Currents and Canada's Course* (Toronto, 1937).

the Canadian people is found in all the general articles that dealt with the problem during the year. Such an insistence is the best argument for Mr. King's studied reticence on Canadian policy in Parliament and elsewhere. Thus Professor Frank Scott told the readers of *Foreign Affairs* in an article on "Canada's Future in the British Commonwealth",<sup>1</sup> that "Canada's real difficulty is not how to co-operate with other members of the British Commonwealth, but how to secure co-operation within herself".<sup>2</sup> Mr. E. J. Tarr, when discussing "Canada in World Affairs"<sup>3</sup> at Chatham House, in the first of a special series of Commonwealth lectures, said frankly that "The Canadian who puts England first does not realize the extent to which he is rendering England a disservice", and warned his audience that "Canada can never become a dependable associate for Great Britain or any other nation until conditions are such as to develop unequivocally clear policies which carry with them the general support of the people".<sup>4</sup> He added that Mr. Harold Nicolson's test of a good foreign policy, certitude, could not be met in Canada today. Tendencies and principles could be enumerated, as Mr. Escott Reid did in two articles,<sup>5</sup> but that was all. It was

<sup>1</sup> *Foreign Affairs*, vol. XV, April 1937, pp. 429-47.

<sup>2</sup> Mr. B. K. Sandwell, editor of *Saturday Night*, would have met that dilemma by having Canada further an Anglo-American entente. See his article in the *Queer's Quarterly*, vol. XLIV, summer 1937.

<sup>3</sup> *International Affairs*, vol. XVI, Sept.-Oct. 1937, pp. 676-97.

<sup>4</sup> In the discussion after the lecture Professor Zimmern said the lecturer had shown that Canada must be the most difficult country in the world to govern.

<sup>5</sup> Mr. Reid's statement of Mr. King's foreign policy is as follows: "1. The guiding principle in the formulation of Canada's foreign policy should be the maintenance of the unity of Canada as a nation. 2. Canada's foreign policy is, in the main, not a matter of Canada's relations to the League, but of Canada's relations to the United Kingdom and the United States. 3. Canada should, as a general rule, occupy a back seat at Geneva or elsewhere when European or Asiatic problems are being discussed. 4. Canada is under no obligation to participate in the military sanctions of the League or in the defence of any other part of the Commonwealth. 5. Canada is under no obligation to participate in the economic sanctions of the League. 6. Before the Canadian government agrees in future to participate in military or economic sanctions or in war, the approval of the parliament or people



perhaps in recognition of this uncertainty that, in October 1937, the Governor-General, Lord Tweedsmuir, told a distinguished audience in Montreal at the tenth anniversary dinner of the Canadian Institute of International Affairs that "A Canadian's first loyalty is not to the British Commonwealth of Nations, but to Canada and to Canada's King, and those who deny this are doing, to my mind, a great disservice to the Commonwealth". Coming from an observer of Canadian conditions with unique facilities, one who had been a member of Lord Milner's "kindergarten" in South Africa and had ever been distinguished for a robust patriotism, that comment may fairly be styled the most significant remark made in Canada in 1937.<sup>1</sup>

of Canada will be secured. 7. Canada is willing to participate in international inquiries into international economic grievances" (*University of Toronto Quarterly*, vol. VI, Jan. 1937, p. 243). In his article in the *Canadian Journal of Economics and Political Science*, vol. III, Feb. 1937, p. 97, Mr. Reid revised his statement of this seventh principle as follows: "Canada should pursue, within the measure of its power, 'the attempt to bring international trade gradually back to a sane basis, to lessen the throttling controls and barriers. . . . Coupled with this desire to assist in the restoration of international trade is a desire to see the League used as 'a forum for the discussion of economic grievances' and a willingness to have Canada participate in international inquiries 'into any question, raw materials, population movements, labour conditions, that is felt as a grievance'."

<sup>1</sup> Lord Tweedsmuir's statement was promptly criticized by the Hon. C. H. Cahan in an address to the Montreal branch of the Royal Empire Society.

#### IV. 1938. THE COMING DANGER

After listening carefully to what the Prime Minister said this afternoon, I confess I am still at a loss to know just what our foreign policy is.

MR. J. S. WOODSWORTH<sup>1</sup>

LIKE the United States Congress in its efforts to determine how best to keep out of war, the Canadian Parliament was repeatedly perplexed by the course of world politics. The American Neutrality Act of May 1937, the amendments to the Canadian Customs Act, and the adoption of a Foreign Enlistment Act during the parliamentary session of 1937, were designed to keep both countries out of the range of such European threats to peace and internal unity as the Spanish Civil War. Scarcely had these measures been adopted when Japan, in July 1937, resumed her forward march in China. The Far East became the centre of a bitter and savage struggle that is still running its course. The "China incident", as the Japanese persist in calling it, has never been characterized by a declaration of war, a condition which is one of the unexpected consequences of the Kellogg Pact. That peculiarity was utilized by President Roosevelt in not invoking the Neutrality Act. Like Lord Nelson, he found failing eyesight a convenience. Vision, which speedily detected a state of war in Abyssinia in 1935, grew dim when it looked across the Pacific towards China. That unhappy state, clutching at every straw which might save her from destruction, negotiated a non-aggression treaty with the U.S.S.R., and invoked successively the Nine Power Treaty of 1922 and the Covenant of the League. To the first document the United States and all but one of the members of the British Commonwealth were signatory; by the second Canada was of course bound, although her reservations on sanctions had been, as we have noted, carefully placed on record in September 1936.

<sup>1</sup> In the House of Commons, May 24, 1938.

The Chinese appeal to Geneva occurred during the regular autumn meeting of the Assembly. At that session Canada was represented by the veteran Senator Dandurand, the Hon. J. L. Ilsley, and the Canadian High Commissioner to the United Kingdom, the Hon. Vincent Massey.<sup>1</sup> The League Council had the happy thought of reviving the Far East Advisory Committee which had been set up in 1933 after the adoption of the Lytton report, and in which the United States accepted membership in a non-voting capacity. On this occasion the United States again accepted membership and, through its minister in Switzerland, created what the Department of State described in a press release as an "informative contact". Canada was also represented on this Committee and pursued the cautious "back seat policy" that had become the rule since the Riddell incident. The Committee, after hearing the American minister read a statement by the American Secretary of State condemning the Japanese aerial bombing of open Chinese towns, found it easy to adopt a resolution on similar lines. A later set of resolutions, drafted by a sub-committee, condemned Japanese military operations in China as out of all proportion to the incident that provoked the crisis, denied the Japanese claim of self-defence, and found Japan guilty of having broken the Nine Power Treaty and the Kellogg Pact. When these resolutions were presented to the Committee as a whole, the Canadian delegate, Senator Dandurand, declined to vote for them until he had received instructions from Ottawa, and protested at the haste with which they were being presented to the Assembly, a protest also voiced by delegates from South Africa and Norway. Their objections resulted in a postponement of the Assembly discussion, and in the interval the Canadian government cabled its approval. However, press despatches had already commented on the Canadian caution and the matter was subsequently raised by a question from Mr. J. W. Coldwell (C.C.F., Rosetown-Biggar, Sask.) in the House of Commons.

<sup>1</sup> Mr. Ilsley told an Ottawa audience on his return from the Assembly: "I went to the League in a mood of deep pessimism. I returned somewhat encouraged" (*Monthly News Sheet*, League of Nations Society in Canada, Dec. 1937, p. 17).

The explanation of the Prime Minister, along the lines already described, closed the matter.<sup>1</sup>

The League Assembly also offered China its moral support and urged its members to do nothing to handicap Chinese resistance and to decide independently what they might do to aid that struggling country. But it "studiously avoided"<sup>2</sup> recommending organized sanctions against the aggressor, in the belief that economic sanctions would be ineffective in such difficult circumstances and that military sanctions would be impracticable.<sup>3</sup> Then, with an almost audible sigh of relief, the Assembly referred the matter to the projected Nine Power Conference which was to meet in Brussels in November. At this Conference Canada was also represented by Senator Dandurand.

The Brussels Conference was one of the most ineffectual of the dismal series of international meetings that have crowded the pages of history in the past twenty years. Japan flatly refused to attend, despite pressing invitations before and during the Conference sessions, but was effectively represented by its new partner in the Berlin-Rome-Tokyo axis, Italy. That state bluntly advised the others to leave the settlement of the incident to direct negotiations between Japan and China. The United States, after the unfavourable popular reactions to President Roosevelt's "quarantine" speech at Chicago,<sup>4</sup> was

<sup>1</sup> *Commons Debates*, 1938, vol. I, pp. 630-1. In endorsing Senator Dandurand's attitude, the Prime Minister said: "No other course would be possible if the work of the league is to be taken seriously and if members at a distance from Europe are to take a considered and responsible part in its deliberations." In the same statement, Mr. King also answered a question from Mr. Coldwell based on press rumours that Canada had voted in the Assembly against the eligibility of Spain for re-election to the League Council. Mr. King said that Canada had voted in favour of Spanish re-eligibility, and quoted the interesting letter from Senator Dandurand explaining that he believed "The sole duty of the Canadian delegation was to think of Spain as an entity, without interfering in its domestic quarrels" (*ibid.*, p. 632).

<sup>2</sup> The phrase was used by Mr. King in his speech of May 24, 1938.

<sup>3</sup> J. L. Hsley (Monthly News Sheet of the League of Nations Society in Canada, December, 1937).

<sup>4</sup> These reactions are described in *The United States in World Affairs*, 1937 (New York, 1938), pp. 222-3.

not prepared to take the initiative in any bold action, and Britain felt likewise.<sup>1</sup> As a consequence the Conference did little more than register its disapproval of Japanese policy, reiterate its willingness to mediate, and adjourn to reconvene when the chairman thought expedient, a time which has not yet arrived. Even this restraint was too much for the Scandinavian states present, who abstained from voting. Canada ever eager to say "me, too", when Britain and the United States were in agreement, endorsed the resolutions. In the words of the Prime Minister, "It did not think less could be done; it did not urge the great powers represented to do more".<sup>2</sup>

During the parliamentary session of 1938 a Liberal member, Mr. Paul Martin (Essex East, Ont.), contrasted approvingly Canada's attitude at Brussels with the timidity of the Scandinavian states,<sup>3</sup> while a Conservative member, Mr. T. L. Church (Toronto-Broadview, Ont.), indiscreetly asked who was responsible for the utter failure of the Conference, and received the appropriately curt answer, "Under the rules this question does not appear to be of a suitable character for disposition by question and answer". Mr. Church was also told that Canada's foreign policy in the Sino-Japanese conflict was "To maintain a strict neutrality and to contribute, in collaboration with other governments, as opportunity affords, in movements designed to restore peace in the orient through methods of conciliation".<sup>4</sup>

Yet the collapse of the Brussels Conference failed to have the same dampening effect upon Canadian public opinion that the breakdown of sanctions against Italy had produced in the previous year. For this Japan was partly responsible through the extreme brutality of her methods in China, as evidenced at Nanking. It must be remembered that

<sup>1</sup> Mr. G. E. Hubbard described British policy as wishing "to see collective action kept within the uncompromising, if unpromising, limits of an attempt at mediation" (*Survey of International Affairs, 1937*, London, 1938, vol. I, p. 284).

<sup>2</sup> *Commons Debates*, 1938, vol. III, p. 3186.

<sup>3</sup> *Ibid.*, vol. II, p. 1925.

<sup>4</sup> *Ibid.*, vol. I, p. 391.

Abyssinia was far away and almost completely unknown to the Canadian. China was far away too, but the missionary contacts built up in the past fifty years had created a friendly and, in some quarters, surprisingly well-informed opinion that made itself felt. Chinese resident in Canada worked hard to raise funds for medical aid for their country and more than once to the writer's knowledge, were amazed at the degree of support offered by their white neighbours. As in the United States, a boycott of Japanese goods rapidly developed considerable force, especially on the Pacific coast and the prairies. A Social Credit member, Mr. C. E. Johnston (Bow River, Alta.), later remarked in the House, "I well remember that at Christmas time in the store windows of Western Canada we saw large placards bearing the words, 'Boycott Japanese Oranges'".<sup>1</sup> Canadian indignation was also reflected in the widespread demand for the government to "do something" about the export of munitions and raw materials for war to Japan. Petitions were widely circulated asking the government to place an embargo on such commodities as nickel, zinc, lead, and copper, and were forwarded to the Prime Minister or presented by members to the House of Commons. In commenting on the many protests against shipments to Japan which he had received, the Prime Minister expressed a not unjustified belief that "Many of those communications reveal a common inspiration from sources more concerned with the welfare of certain other countries and systems than with Canada's welfare", but was convinced that many were genuine and reflected a hatred of war, disgust with atrocities, and unwillingness to profit by the misery of others.<sup>2</sup> In the field of domestic policy the Sino-Japanese conflict accelerated the demand for effective coastal defences in British Columbia which the Minister of National Defence recognized in his estimates,<sup>3</sup> and produced the first full-length discussion in fifteen years of the total exclusion of Orientals from Canada.

The responsiveness of members to public feeling was indicated at the very beginning of the parliamentary session of

<sup>1</sup> *Ibid.*, p. 356.

<sup>2</sup> *Ibid.*, vol. III, p. 3186.

<sup>3</sup> Below, p. 86.

1938. In the debate on the address in reply to the Governor-General's speech, the leader of the Conservative party, Mr. R. B. Bennett, criticized allegedly pro-Japanese remarks made by the Canadian Minister to Japan while home on leave, sharply condemned Japanese policy, referred to the traffic in war materials, and declared, "we should not permit it to be said that the thought of trade has dulled our sense of honour".<sup>1</sup> Most important of all, Mr. Bennett also advocated the termination, as speedily as possible, of the gentleman's agreement with Japan by which 150 immigrants were permitted to enter each year. In reply the Prime Minister said that he was whole-heartedly in agreement with the leader of the opposition in deploring Japanese policy, but, as in the past, urged members of the House to be guarded in speech and action in view of the critical world situation. He claimed that both Japan and China realized that Canada was not seeking to take sides in the conflict and realized that the Canadian government's decision was "to be strictly neutral, to hold ourselves in a position where, if opportunity does offer, and some word of ours can help to shorten the conflict, to minimize the struggle, that word will be given in season and may prove of value".<sup>2</sup> The Social Credit leader, Mr. J. H. Blackmore (Lethbridge, Alta.), expressed the greatest revulsion and horror at sending to Japan lead which might later be used against Canadians. He inserted in the record a table of Canadian exports to Japan of aluminium, copper, lead, nickel, and zinc in 1936 and 1937, which showed significant increases, especially in exports of nickel.<sup>3</sup> With this protest against such exports the C. C. F. leader, Mr. J. S. Woodsworth, heartily concurred, as did Messrs. Victor Quelch (S.C., Acadia, Alta.), J. W. Coldwell (C.C.F., Rosetown-Biggan, Sask.), E. J. Poole (S.C., Red Deer, Alta.), J. A. Marsh (Cons., Hamilton West, Ont.), A. A. Heaps (C.C.F., Winnipeg North, Man.), and C. E. Johnston (S.C., Bow River, Alta.). In his remarks Mr. Coldwell directly contrasted the government's policy towards Spain and Japan. "We refuse to supply a legitimate government

<sup>1</sup> *Commons Debates*, 1938, vol. I, p. 38.

<sup>2</sup> *Ibid.*, p. 66.

<sup>3</sup> *Ibid.*, p. 73.

in Spain with men and goods, yet are exporting large quantities of goods to Japan for use against China. Our export figures today represent in part the price that is being paid by the mangled bodies of women and children in congested Chinese cities, and I say further that prosperity based upon such factors is deceptive and will not last."<sup>1</sup>

To meet these arguments the Minister of Trade and Commerce, the Hon. W. D. Euler (Waterloo North, Ont.), deprecated the widespread impression that the exports of nickel were entirely for war purposes, and pointed out that, even if Canada should place an embargo on its export to Japan, sufficient supplies could be procured from other parts of the world, or might be acquired by re-exports from other countries. His views on sanctions, collective or individual, were bluntly emphatic: "Those of us who have seen the stupendous and humiliating failure of the League of Nations in applying sanctions in the case of the Italo-Ethiopian war perhaps would hesitate before committing Canada to experimenting with sanctions on her sole account."<sup>2</sup> Later in the session, during his careful analysis of foreign policy, Mr. King returned to the question. He easily disposed of the charges that Canada exported munitions or aircraft to the aggressor, but admitted that substantial amounts of war minerals had been shipped, although the value was still below the level of 1929.<sup>3</sup> He also took care to correct figures submitted by the Chinese delegate at Brussels, which, in the case of Canadian exports of copper to Japan, were grossly incorrect. Like the Minister of Trade and Commerce the Prime Minister believed that unilateral sanctions were economically futile and that there was no prospect of concerted action at the present time.<sup>4</sup>

While the government could present a strong case for the non-application of an embargo on exports of key materials to

<sup>1</sup> *Ibid.*, p. 106. No member from British Columbia, source of lead and copper, spoke in the debate in favour of a ban on exports.

<sup>2</sup> *Ibid.*, p. 291.

<sup>3</sup> Mr. King's table of exports is given in *ibid.*, vol. III, p. 3188.

<sup>4</sup> *Ibid.*, p. 3189.



Japan, it faced a more difficult task in repelling the demands for action on the question of Japanese immigration to Canada. Immigration was a question over which Canada had complete jurisdiction, and a Liberal government under the leadership of Mr. King had adopted an Act excluding Chinese immigrants in 1923. On logical grounds how could it refuse to take a similar course against Japan? There was no question that the members of Parliament from British Columbia, the province most affected, irrespective of party, were in favour of such a policy. The termination of the Anglo-Japanese alliance and the growth of Canadian autonomy ruled out the potent argument of a generation ago that Canada must not embarrass Anglo-Japanese relations. In the election of 1935 Liberal campaigners in Vancouver had played upon anti-Oriental feeling by charging the C. C. F. party with endangering provincial safety by its willingness to concede the franchise to naturalized Orientals. The Conservative party had already partly committed itself to termination of immigration, through Mr. Bennett's speech at the opening of the session, and was not unmindful of the fact that its support in British Columbia was greater than in any other western province. Finally, to complete the government's embarrassment, the anti-Japanese attack was led by a skilled parliamentarian, Mr. A. W. Neill (Independent, Comox-Alberni, B.C.), who was passionately in earnest on the question, and won commendations from all sides of the House for his skill and moderation in presenting his case.

On February 1, Mr. Neill introduced a bill "to place the Japanese nation on the same plane, as regards immigration into Canada, as that occupied by the Chinese during the past fifteen years".<sup>1</sup> He claimed support for his proposal from 90 per cent. of the people of British Columbia, and gave a detailed historical review of the attitude of that province. It was in 1922 that the British Columbia members had united for the first time, then under the leadership of the Hon. H. H. Stevens, who was still a member of the House, and had

<sup>1</sup> *Ibid.*, vol. I, p. 67.

secured the exclusion of the Chinese. They had failed in their efforts to exclude the Japanese as well, but the government had recognized the force of their position in 1928 by securing from Japan a reduction of the number admitted under the gentleman's agreement from 400 to 150. Since then the Oriental problem had become still more serious in British Columbia and, therefore, Mr. Neill pleaded with the members from other provinces to treat the question on a non-partisan basis and to remember that "it may be our trouble today but it's yours tomorrow".<sup>1</sup> In his bill Mr. Neill was supported by eight other members from British Columbia of all shades of opinion and found a friendly adviser in Mr. Bennett who recommended delay for a short time before such a measure be brought into force, in order to give the government time to discuss the matter through diplomatic channels with the Japanese government.<sup>2</sup> The Prime Minister declared that no other item on the order paper had given the government such concern, and described his own personal interest in the subject ever since his introduction to it as Deputy Minister of Labour at the opening of the century. He still preferred regulation by agreement to exclusion, and added that his views had been strengthened by the continued protests of the Chinese government against the Act of 1923. As recently as 1936 he had been personally approached by the Chinese delegate to the League of Nations who pointed out the harm that our legislation was doing to Canada in the eyes of the Chinese.<sup>3</sup> Mr. King questioned the charges of other speakers that the Japanese had been entering the country illegally and quoted figures to show that in recent years the average number admitted annually had been only about one hundred.<sup>4</sup> In view of these facts and the seriousness of the world situation, Mr. King maintained that "this parliament of Canada should not contemplate for one minute placing an exclusion act upon its statutes, especially an act directed against Japan, where we have before us the evidence that, so far as Japan is concerned, she has been

<sup>1</sup> *Ibid.*, p. 557.

<sup>2</sup> *Ibid.*, p. 566. Mr. Neill was agreeable to this proposal.

<sup>3</sup> *Ibid.*, p. 569.

<sup>4</sup> See the table, *ibid.*, p. 572.

perfectly loyal to the agreement that now exists and has more than carried out its terms".<sup>1</sup> During the debate Liberal and Liberal-Progressive members from other provinces<sup>2</sup> expressed sympathy with British Columbia but were unanimous in urging caution before such a drastic step was taken. The lone Conservative who expressed his views, Mr. T. L. Church, managed to combine approval of the bill with condemnation of the Canadian government for ever favouring the termination of the Anglo-Japanese alliance. Before the debate concluded the government made a concession to British Columbia members by promising to set up a board of review to hear in British Columbia any complaints about illegal entry into the province and another committee to re-examine the whole situation.<sup>3</sup> The deputy whip of the Liberal party, Mr. J. G. Turgeon (Cariboo, B.C.), pleaded with his fellow-member from British Columbia to withdraw his bill, but Mr. Neill was adamant and declared himself encouraged by the widespread support that his proposal had received in all parts of Canada. He said that he wanted no loftier epitaph on his political tombstone than the phrase of an eastern newspaper, "Sacrificed to appease the Japanese government".<sup>4</sup> When the measure came to a vote it was defeated by 79 to 42, with only two members from British Columbia supporting the government, the deputy whip of the Liberal party and the Minister of Defence, and with two-thirds of the Conservative party and most of the C. C. F. voting with Mr. Neill.

Undaunted by this rebuff the stubborn independent presented another bill which proposed to achieve the same goal of Japanese exclusion by the adoption of a European language test after the fashion of Australia and New Zealand. Mr. Neill

<sup>1</sup> *Ibid.*, p. 574.

<sup>2</sup> Messrs. A. G. Slaght (Parry Sound, Ont.), Lionel Chevrier (Stor-  
mont, Ont.), V. J. Pottier (Shelburne-Yarmouth-Clare, N.S.), D. A.  
McNiven (Regina, Sask.), J. A. Glen (Marquette, Man.).

<sup>3</sup> *Commons Debates*, 1938, vol. II, p. 1035. These were to be com-  
mittees of civil servants. At the close of the session two questions were  
asked about the nature of the reports submitted by these committees to the  
government, and received evasive answers. See for the answers, *ibid.*, vol.  
IV, pp. 3257-4498.

<sup>4</sup> *Ibid.*, vol. III, p. 3199.

called his measure a "legislative olive branch" to the government, but the ministry was unconvinced. On somewhat pedantic grounds the bill, in its first draft, was rejected by the speaker after the Prime Minister had appealed for a ruling.<sup>1</sup> Mr. Neill met these objections in his second draft and was told by the Minister of Defence, the Hon. Ian Mackenzie (Vancouver Centre, B.C.), who made his first appearance in the debate, that his bill would increase rather than reduce the danger, an argument which Mr. Neill vigorously refuted. As some members, including Mr. Woodsworth, thought the method of exclusion rather disingenuous, Mr. Neill obtained less support, his bill receiving only 39 votes while the opposition rose to 87. What especially exasperated the member from Comox-Alberni was the ground for inaction advanced by the administration. As he said in his closing speech: "We dare not deal with the strict domestic matter of our own immigration for fear—and fear is an ugly word, Mr. Speaker—that an alien heathen nation, that has no claim whatever to a grievance, might not like it, a nation whose best claim to fame at the present moment is the fact that it is raping and ravaging a friendly nation whose territory it swore a few short years ago to protect and maintain. . . . For the first time in nearly half a century I have occasion to be ashamed of my adopted country."<sup>2</sup> The government must have felt inward relief that no such convinced and effective speaker arose to harass them in similar fashion during the discussion of the defence estimates.

The absence of such a vigorous opposition to the estimates may be explained by the growing confidence of French-Canadian members in the unlikelihood of the government being lured into "imperialistic" wars, the presentation by the Minister of National Defence of estimates below those for the previous year, and the increasing awareness in Parliament of the seriousness of the international situation.<sup>3</sup> One French-

<sup>1</sup> *Ibid.*, p. 2739.

<sup>2</sup> *Ibid.*, vol. IV, p. 3410.

<sup>3</sup> As F. H. Underhill admitted in the *Canadian Forum*, vol. XVII, Feb. 1938, p. 376: "In the present state of the world there is not much use opposing defence expenditures."

Canadian member, M. Ernest Bertrand (Laurier, Que.), actually observed during the debate, "Nobody likes war, either on this side or on the other side of this house, and we have finally agreed on the question of armaments". M. Bertrand, after twitting the Conservatives with their silence of the previous session, commented on their even greater readiness to support the government in its defence policy.<sup>1</sup> Since last session of Parliament two by-elections had been fought in Quebec, in which four members of the Cabinet from that province participated and specifically discussed the defence policy of the government. They reiterated the pledges of the Prime Minister, pointed to the record of the Imperial Conference of 1937, and took an attitude which was later described as follows by one of the victors, M. J. N. Francœur (Liberal, Lotbinière):

In accepting to stand for Lotbinière county, I did not hesitate to tell the electors that I intended on this point to support the policy of the present government, because I considered that a citizen's first duty is to defend his country. My friends and I stated at every public meeting that we were in favour of defending our country, that we believed that the first line of defence was now in Canada, but that we did not want to contribute one cent for arming or equipping an expeditionary force, in short, that we do not intend to take part in foreign wars. Thus did we present the question and thus did the electors of Lotbinière understand it.<sup>2</sup>

<sup>1</sup> *Commons Debates*, 1938, vol. II, p. 1684. Earlier in the session M. V. Mallette (Liberal, Jacques Cartier, Que.) commented that "the guarantees given by the Prime Minister and his colleagues during the last session . . . have been accepted, because our citizens do not wish to be at the mercy of a *coup de main* by international hoodlams. But they have been accepted solely on the ground that they are expenditures for the protection of Canadian interests in Canada. Let us make that very clear" (*ibid.*, vol. I, p. 116).

<sup>2</sup> *Ibid.*, p. 19. So, it might be added, did all French Canada. On January 21, M. Lapointe told a delegation: "I notice that your brief contains this sentence: 'The Federation of National Catholic Unions is against Canada's participating in any foreign war.' Such is also my view of the matter."

When the Minister of National Defence presented his estimates of \$34,034,364, he placed the reduction from the previous year's figure at \$2 million. This he explained was due in part to the reduction in the number of aeroplanes to be purchased from 102 to 75 (which saved a million dollars) and to the fact that smaller sums were required for building purposes, with various projects almost completed. A third factor was the inability of the Department to secure prompt deliveries of such military material as anti-aircraft guns, heavy ordnance guns, and tanks.<sup>1</sup> Such enforced savings more than offset the increased estimates for the naval services, which were required to purchase two more destroyers, so that four might be available for the Pacific coast and two for the Atlantic. The growing concern about the Pacific coast, resulting from Japan's increased activity in the Far East, was revealed in Mr. Mackenzie's statement that "the government was disposed to give priority to considerations affecting our problems on the Pacific";<sup>2</sup> and in the million dollars assigned to Pacific coastal defences.<sup>3</sup> The Minister also frankly acknowledged that

Just as the British navy on the Atlantic is our greatest security in that quarter, so I think it might be reasonable to assume that in a major conflagration we should have friendly fleets upon the Pacific ocean, and the severity of raids upon our western sea-board would be limited by the strength and the position of these friendly fleets. Our major defensive buffer on the Pacific coast is not the Pacific ocean alone but the existence there of friendly fleets. There is no commitment or understanding in regard to these matters, but at this time I think reasonable assumptions are justifiable.

While it is true that the minister's speech stressed the claim that the estimates were based on precisely the same principles as in 1937, namely, the preservation of Canadian

<sup>1</sup> Thus, anti-aircraft guns ordered in 1935 had not been delivered. Only 60 planes had been delivered of the 102 ordered in 1937. Tanks were expected "before very long". Heavy ordnance could not be had for about two years.

<sup>2</sup> *Commons Debates*, 1938, vol. II, p. 1648.

<sup>3</sup> \$895,000 had been voted in 1937.

neutrality, the defence of Canadian coasts, ports, terminals, and focal areas of trade, its peroration about the apparently inevitable division of nations into friends of freedom and friends of force had a crusading appeal which did not escape challenge later. Canada, said Mr. Mackenzie, if the cherished liberties of her civilization were imperilled, "must be prepared, for the preservation of the best there is within these three nations [Britain, France, the United States] and the best there is within her own boundaries—the best there is in democracy itself—to take her stand, if need be, against brute force and might and ruthlessness, and, if need be, for high purposes to endure sore travail".<sup>1</sup>

In the debate that followed the minister's presentation of his estimates it was noticeable that the opposition had declined by two-thirds in number since 1937, and that more members were concerned about the adequacy of the estimates, especially for the air force, than about their burden. Speaker after speaker dwelt upon the sufferings of the helpless people in Barcelona and Shanghai and of other victims of aggression, or asked, as did Mr. H. S. Hamilton (Liberal, Algoma West, Ont.), "Can we avoid, or do we not in our souls feel, that if Great Britain were crushed, our first line of defence, as it has been described, would go with her?"<sup>2</sup> The Social Credit leader, Mr. J. H. Blackmore, expressed the bewilderment of many when he said, "I am an ardent advocate of collective security, but I wish I knew with whom to 'collect'".<sup>3</sup> Later in the session, on May 13, another Social Credit member, Mr. C. E. Johnston (Bow River, Alta.), warned the House of the imminent danger to Czechoslovakia from Germany, and asked if Canada was prepared to enter a European war in her defence. He himself believed that in Canada and the British Empire "We should adopt the attitude of minding our own business and letting the other fellows do the same".<sup>4</sup> Canada, he thought, should follow a policy of neutrality, and at the same time strive to have the most effective armaments possible.

<sup>1</sup> *Commons Debates*, 1938, vol. II, p. 1651.    <sup>3</sup> *Ibid.*, p. 1938.

<sup>2</sup> *Ibid.*, p. 1963.

<sup>4</sup> *Ibid.*, vol. III, p. 2878.

From the Conservative members came complaints that "we are back where we were in 1812—complete dependence on the Motherland for protection",<sup>1</sup> that we lacked gas-masks and were not adequately prepared if an aircraft carrier sailed into Hudson Bay,<sup>2</sup> that we needed a cruiser, submarines, and far better anti-aircraft coastal defences,<sup>3</sup> and that for such a "juicy morsel" as Canada the appropriations were "sadly inadequate".<sup>4</sup> A Conservative from New Brunswick, Mr. A. J. Brooks, found grim consolation in the fact that in the past few years "Canada has become more defence-conscious than at any other time in her history", and that there had been a change of mind towards the cost of defence, both in the Liberal party and throughout the country.<sup>5</sup> Another Conservative, from the Pacific coast, Mr. Howard Green (Vancouver South, B.C.), was far from happy about the coastal defences for his province since "the danger is there and the protection is not",<sup>6</sup> and pleaded for a survey of strategic points where there were rumours that land or rights were being held by foreigners. He favoured the appointment of a special committee drawn from all parties to investigate the needs of coastal defence and to recommend a policy of local defence.<sup>7</sup>

Of the six members who opposed the defence appropriations, one did so because the estimates were still above the 1936-7 level, while two others, MM. J. A. Crête (Liberal, St. Maurice-Lafèche, Que.) and Wilfrid Gariépy (Liberal, Three Rivers, Que.), felt that no new evidence had been advanced to change their opinions of the previous session. M. Crête said bluntly that "as a Canadian, I do not want Canada to renew the error it made in 1914".<sup>8</sup> One of the chief critics of 1937, Mr. C. G. MacNeil (C. C. F., Vancouver North, B.C.),

<sup>1</sup> Mr. T. L. Church (Toronto-Broadview, Ont.).

<sup>2</sup> Mr. J. R. MacNicol (Toronto-Davenport, Ont.).

<sup>3</sup> Mr. F. C. Betts (London, Ont.).

<sup>4</sup> Mr. Denton Massey (Toronto-Greenwood, Ont.).

<sup>5</sup> *Commons Debates*, 1938, vol. II, p. 1957.

<sup>6</sup> *Ibid.*, p. 1967.

<sup>7</sup> *Ibid.*, vol. III, p. 2873.

<sup>8</sup> *Ibid.*, vol. II, p. 1673.



complained of a misrepresentation of his position on defence, since he had never opposed defence as such but had been "prompted by a knowledge that defence involves much more than a haphazard expenditure of public funds on armaments".<sup>1</sup> His chief objection to the government's position was its lack of clarity in defining the scale of defence measures through not facing up to the implications of existing external relations. As the C. C. F. critic observed:

As far as I can discover, we may or may not enter into some collective enterprise for the restraint of aggression; therefore we must arm. We have made no decision in this regard; so we do not know to what extent we should arm. We may or may not share in imperial responsibilities; therefore we must arm though we may be involved in a conflict in which we shall have no direct or vital concern. The minister has hinted more than once at the moral obligation of mutual support within the commonwealth, and many presumptions are entertained on this score. Because of this, action may be taken of more dangerous consequences than merely the defence of our own shores.<sup>2</sup>

In reply to the argument that Canada had no commitments, tacit or otherwise, which would involve her in war, Mr. MacNeil pointed to the contractual obligation to maintain naval bases at Esquimalt and Halifax for the use of the British navy, which had been admitted in the previous session. That, in his opinion, destroyed any hope of neutrality when Britain was at war. He believed also that the close working relationship between the Canadian general staff and the British War Office, the regular despatch of officers for training with British forces (about ninety were so engaged in January 1938), and other interlockings of British and Canadian forces, reduced the freedom of action of the Canadian government, despite the growth of autonomy in external affairs.<sup>3</sup> Another C. C. F. critic, Mr. J. W. Coldwell

<sup>1</sup> *Ibid.*, p. 1712.

<sup>2</sup> *Ibid.*, vol. I, p. 1721.

<sup>3</sup> Later in the session, Mr. MacNeil again raised the issue of naval bases and introduced a Militia Act amendment to make it clear that Parliament controlled the despatch of forces overseas. The bill did not come to a vote. See *ibid.*, vol. IV, pp. 4092-101.

(Rosetown-Biggar, Sask.), took the same line as his colleague but expressed even more emphatically his distrust of the British government's "dark betrayal of democratic ideals", and urged that "we tell them in no uncertain terms that we shall not stand for the type of policy which has been pursued and which I believe will eventually bring about the loss of democracy throughout a large part of the world".<sup>1</sup> Until the situation was clarified Mr. Coldwell thought that Canada should confine her defence programme to such arms as would protect her from sporadic raids and remove from it any idea of preparing for the despatch of an expeditionary force in war time.<sup>2</sup> While distrust of British policy was reflected several times in the remarks of C. C. F., Social Credit, and French-Canadian Liberal members, the Conservative party offered an interesting contrast in attitude at the close of the session when it criticized the government for not furthering effective co-operation with the British government in defence matters. The issue was first raised in the Senate on June 14, when Senator Meighen, the Conservative leader, said that he had received information that on two occasions the British government had asked permission to establish air training schools in Canada for its R. A. F. pilots and had been refused assent by the Canadian administration. He asked the Liberal leader if that were true and if so why the request had been refused. In response Senator Dandurand pleaded that pressure of work had kept him from Council meetings lately and asked for time to obtain the information. The following day he reported that no such request had been made by the British government. Senator Meighen then raised the question as to whether any informal inquiries had been made "as to what its attitude would be with respect to the subject matter". Senator Dandurand, after a second direct request had been made by the Conservative leader a week later, admitted that "Some informal conversations have taken place

<sup>1</sup> *Ibid.*, vol. II, p. 1935.

<sup>2</sup> The consistency of Mr. Coldwell's position with regard to such a force was to be revealed in the war debate of September 1939.

with persons who did not indicate they had been authorized or instructed by the British government to make any proposals". He added that the Canadian government was prepared to discuss proposals with the British government at any time and make known its position to the Canadian people.<sup>1</sup> The Liberal leader expressed his surprise at the importance which his colleague had attached to rumours of informal conversations, but failed to shake the Conservative leader's conviction that this was a serious matter.

The controversy was then transferred to the House of Commons where Mr. C. G. MacNeil asked a similar question about the government's intentions with regard to proposals for British government training centres. He was told by the Prime Minister that this was a matter of government policy which was not normally enunciated in answer to a question on the order paper, and that a statement would be made when the occasion justified it. On the last day of the session, July 1, in what proved to be his final oratorical bout with the Prime Minister, the Conservative leader set himself to evoke a statement from the government. During a discussion of supply votes for the Department of Defence, Mr. Bennett referred to comments in the press and in another place on the training fields question, and said that his information was that the British government had made exploratory inquiries to avoid the embarrassment of a direct refusal. He was anxious to ascertain "whether the government would not be very greatly concerned to assist in this being done, not only because we are a part of the British commonwealth of nations but also because it would enable us to derive the benefits that would come from such an arrangement".<sup>2</sup> The Minister of National Defence denied that there had not been full co-operation with the British government, and asked the Prime Minister to read a letter from Britain expressing appreciation for the assistance rendered to an air mission visiting Canada. This Mr. King did, after expressing regret

<sup>1</sup> *Senate Debates*, 1938, p. 521.

<sup>2</sup> *Commons Debates*, 1938, vol. IV, p. 4524.

at the rumours about the government's policy, rumours which, he said, had caused embarrassment in both London and Ottawa. Like Senator Dandurand, he explained that "Confidential and informal exploratory conversations with respect to training of British pilots have taken place, but nothing has developed which it was felt warranted a statement of policy".<sup>1</sup> Later he added that long ago the Canadian government had finally settled the constitutional principle that "in Canadian territory there could be no military establishments unless they were owned, maintained, and controlled by the Canadian government responsible to the Canadian parliament and people". He was sure that the Canadian people would not for a moment entertain a reversal of such a principle, which was one of the really indispensable hallmarks of national sovereign self-government and the basis for friendly co-operation within the Commonwealth. Of course, in time of war, tactical and strategic necessities might alter the circumstances, but only for the purposes of actual joint war. With this statement Mr. Bennett "wholly and entirely and utterly" disagreed, as, in his belief, it destroyed the idea of effective partnership as worked out in the Commonwealth between 1926 and 1930. He welcomed the idea of British training fields in Canada "for what they are saving is our civilization, and Canada—and Canada, I repeat".<sup>2</sup> He rejected as inadequate the Prime Minister's suggestion of the British pilots utilizing the Canadian centres, and said passionately: "If it was the last word I ever uttered in this house or with the last breath in my body I would say that no Canadian is worthy of his great heritage and his great traditions and his magnificent hope of the future who would deny to the old partner who established us the right in this country to create those centres which she may not have at home to preserve her life and the life of every man who enjoys freedom and liberty under the protecting aegis of that flag."<sup>3</sup> But the Prime Minister would not budge from his argument that

<sup>1</sup> *Ibid.*, p. 4526.

<sup>2</sup> *Ibid.*, p. 4528.

<sup>3</sup> *Ibid.*, p. 4528.

"You cannot have two military forces operating in individual countries responsible at one time or in part to the one government and at another time and in part to another government", and declared that he was prepared to take the issue to the Canadian people for their verdict. Mr. King stood by his previous promise—"We are quite prepared, in connection with our own establishments to help in affording facilities to British pilots if that will be of service to them". Any other policy, such as that favoured by Mr. Bennett, he believed, "would be prejudicial to the exceptionally cooperative relations that we at present enjoy".<sup>1</sup> Mr. Bennett was not satisfied with this undertaking and claimed that it really meant that Britain was deprived of an opportunity for training her pilots under more satisfactory conditions than at home. The issue was raised again when the Conservative party met in national convention on July 4, and Senator Meighen sharply criticized the government's action. After agreeing that Canada should control her own armed forces, the ex-Prime Minister continued:

But I want to know when the principle ever developed in this Dominion that if Britain wants to train, not our men, but her own, with only such of ours as choose to join and by consent of the Government may join, to train her own men for her defence, the defence of her liberty within which comes our liberty, for the defence of her shores and our shores, she cannot control the training of these men on the soil of Canada; . . . I ask you: Have we come to the hour in this country when Canada locks the gate on Britain when the Old Land asks for permission to establish at her own expense and train in her own way her own citizens for their defence and ours? . . . This subject today this Convention cannot ignore. This subject today arrests the attention of the Canadian people and must continue to arrest it until the decision of this nation is known and rings throughout this Empire and goes to the ears of the Government of Britain. . . . To compress into a last sentence the conclusion of the whole matter; if we call

<sup>1</sup> *Ibid.*, p. 4531.

ourselves partners in this Commonwealth, and many prefer that title to member nations of an Empire, let us behave the way partners behave when they have a common purpose and when they know that purpose is right.<sup>1</sup>

This vigorous statement was re-echoed in many Conservative newspapers. On July 5, Sir Francis Floud, British High Commissioner in Canada, was summoned to a Cabinet meeting and asked to convey to the British government the offer of the facilities of the Royal Canadian Air Force for the training in Canada of Royal Air Force pilots.<sup>2</sup> In a statement to the press the Prime Minister explained that this policy had been settled before the debate in the House of Commons and was not timed to coincide with the Conservative convention. Such a policy of co-operative training under Canadian control was to be the basis for the Empire Air Training Scheme adopted in December 1939. The Conservative party, however, did not change its attitude, and, during the election campaign of 1940, charged the Liberal party with being to blame in retarding the training of air force pilots for the war.

It is not surprising that the parliamentary session of 1938 was marked by an unusual number of questions and comments on international affairs. A session which witnessed two wars in Europe and Asia, the smouldering embers of another in Africa, the resignation of Mr. Eden, the annexation of Austria, and the first mobilization in Czechoslovakia, could not but compel members of Parliament, despite the distractions of domestic problems, to eye uneasily the outer world. Early in the session C. C. F. leaders appealed<sup>3</sup> for some light on the government's policy in foreign affairs. On several occasions questions were asked as to the extent to which the government was consulted or informed about such matters of British policy as Lord Halifax's visit to Berlin in November 1937,

<sup>1</sup> Quoted in "Political Parties in Canada and External Affairs" (Canadian Institute of International Affairs, *Canadian Papers*, 1938, series E, p. 6).

<sup>2</sup> In an election speech on March 9, 1940, Mr. King revealed that the agreement covered the training of fifty pilots a year for three years.

<sup>3</sup> Mr. Woodsworth, Feb. 11; Mr. Coldwell, March 1.

the Chamberlain statement in February 1938, on the role of the League of Nations, the negotiations with Italy of the same month, and the position of Czechoslovakia.<sup>1</sup> Invariably the Prime Minister explained that the government had been kept informed by the British government, but had not been consulted and did not express an opinion. Such remarks as "I can assure my honourable friend that no advice has been asked and none has been given by the present government", became stereotyped. It was noticeable that while C. C. F. members repeatedly criticized British diplomacy, Conservative members were indignant when commentators on the network of the Canadian Broadcasting Corporation criticized British policy in Spain or expressed concern about the influence on British official circles of the "Cliveden Set", an indignation which the Prime Minister seemed to have largely shared.<sup>2</sup> The anxiety of the government to dampen controversial discussion of such contentious matters as a suggested embargo on exports to Germany or Italy because of their role in the Spanish Civil War was reflected in the appeal of Mr. King on March 7. After referring to the momentous events transpiring in both Asia and Europe he urged:

Unless it is the desire to have it appear that our country is anxious to participate in these events, to become a party to or a part of what is happening on the continents of Europe and Asia, it is desirable, I believe, that all persons in positions of authority and responsibility in this country and who have anything to do with the shaping and moulding of public opinion, whether in parliament or in the press, should refrain from taking any steps or making any representations which would appear to have a contrary aim and purpose. Moreover I think we should be particularly guarded in what we say and what we do for the further reason that we should wish at all costs to avoid making the present appalling situation on the two continents I have mentioned more embarrassing for the countries faced with it, in their efforts to work out a solution.<sup>3</sup>

<sup>1</sup> On Feb. 11, Feb. 25, March 1, April 1.

<sup>2</sup> *Commons Debates*, 1938, vol. III, pp. 2769-84.

<sup>3</sup> *Ibid.*, vol. II, p. 1407.

Although the Prime Minister had intended to make a statement on the government's position rather early in the session, it was not until May 24 that he was able, during a debate on the estimates of the Department of External Affairs, to present a carefully prepared address.<sup>1</sup> This statement, one of the most elaborate ever given by a Prime Minister on external affairs, was more of an analysis of the situation than a clear-cut exposition of policy, but did provoke a thoughtful and, in a sense, non-political, debate.<sup>2</sup>

The Prime Minister repeated the salient features of statements he had previously made in Geneva and London and claimed "with pride and satisfaction that our foreign policy has remained to the present what it has been in the past". He believed that Canadian policy was at once extremely simple and extremely complex, simple in its direct individual relations with other countries, but also complex because of its indirect relationships arising from membership in the League of Nations and the British Commonwealth of Nations. Mr. King well summarized the prevalent Canadian attitude towards the United States when he said that relations were so intimate and continuous with that country that some people did not regard them as foreign relations at all. It was in his opinion one of Canada's national assets that she had a good neighbour, "a neighbour that any free country in the continent of Europe or elsewhere would thank its stars to have". His conception of Canadian policy was a modest one. It took into account the domestic factors of geography, political traditions, economic development, and racial composition which prevented it from being "a spectacular head-line policy". Canada had no ancient grudge to repay, no envy for others' territories, no desire or no power to dominate other peoples. Canadians were not inclined to organize or to join in crusades on other continents, although not unmindful of the fate of other democratic governments and the persecution of minorities elsewhere. But Canadians must keep a perspective and realize

<sup>1</sup> *Ibid.*, vol. III, pp. 3175-91.

<sup>2</sup> As Mr. Woodsworth said in his remarks, "It seems to me the debate today marks a decided advance in the conduct of the affairs of our country" (*ibid.*, p. 3212).



that they had "neither the power nor the knowledge to settle the destinies of peoples thousands of miles away". On the other hand, Canada was not in immediate danger from other countries, and only needed to defend herself in the near future against "chance shots".

The Canadian attitude towards the League of Nations was restated as in 1935 and 1936 but with still greater emphasis in order to make it as clear as possible that Canada could not accept the theory of automatic commitment to the application of force, economic or military. In a careful review of recent discussion in Geneva on the reform of the Covenant the Prime Minister stated the desire of the government that the League should become more universal in membership, and its preference for modest action by the League until more opportune times. He went on to make even more plain his views on the use of sanctions: "So far as the Canadian government is concerned, the sanctions articles have ceased to have effect by general practice and consent, and cannot be revived by any state or group of states at will."<sup>1</sup>

In analysing Canadian policy in the British Commonwealth Mr. King outlined four possible courses of action. The first was unconditional acceptance of British policy at all times, "regardless of our own views and interests, and regardless of consequences". This policy was quickly disposed of, and was later referred to by the leader of the opposition as the creation of the Prime Minister's mind, since he had never heard anyone in the House suggest that Canada should supinely follow the policy of the United Kingdom.<sup>2</sup> The second possible course was to co-operate with Great Britain whenever she acted in accordance with League policy. This suggestion was ruled out as impractical since the League did not offer automatic solutions of thorny problems, and since the question of the use of sanctions did not involve Britain alone but depended upon the willingness of other influential European powers to co-operate. For the third policy of

<sup>1</sup> The phrase "state or group of states" might perhaps be interpreted as referring to Czechoslovakia and the Little Entente.

<sup>2</sup> Mr. Bennett's speech (*Commons Debates*, 1938, vol. III, p. 3193).

offering advice on British policy and disclaiming responsibility for the consequences of a policy which Canada had already opposed, the Prime Minister admitted that there was much to be said, but he pointed out that the government of the United Kingdom must always be responsible to its people for its actions, and that it could not be anticipated that the Dominions would always give the same advice. Likewise the British government would still have to consult with other European powers and having done so would not, in many instances, have time for consultation with the Dominions. As Mr. King reminded the members, "Daily and sometimes hourly new situations must be faced, conversations held, decisions taken". The fourth proposed policy of neutrality under all circumstances was refuted by quoting the statement he had made in the 1937 session and was deprecated as "an unwise encouragement to potential aggressors".

Then Mr. King outlined his own view of policy. This was his well-known formula that Parliament should decide when and if the emergency arose, and in the light of all the circumstances at the time. Meanwhile the government should keep itself informed upon the trend of events, keep in touch with the United Kingdom and other peace-loving countries, carry through "a reasonable and effective defence program of its own", and pursue a policy of conciliation and the removal of economic barriers to peace. In supporting this policy Mr. King rejected the argument that it was unwise to wait until the emergency to make such a decision, which should rather be made in advance of a crisis. He quoted statements from Mr. Hull and Mr. Chamberlain which indicated a parallel reluctance for advance commitments. The Prime Minister then added that any attempt to formulate a policy in advance would bring out deep-seated differences within the country and "lead to a further strain upon the unity of a country already strained by economic depression and other consequences of the last war and its aftermath. To invite this risk on a hypothetical question would be as great a disservice to Canada as any government could render."

After thus describing his policy, Mr. King admitted that it was neither wholly satisfactory nor completely logical, but

contended that the fault was not with the policy but with the present position of the British Commonwealth of Nations. Although its members were equal in status, with recognized independent responsibilities, there still remained the possibility "that war proclaimed by the king as regards part of his dominions may involve other parts in the conflict". The Commonwealth, despite its solution of peace-time relationships, had yet to work out a completely logical solution of its position in war time. The balance of the address was devoted to an analysis of the difficulties presented by the Spanish and Chinese conflicts, to which reference has already been made. Mr. King paid a warm tribute to the efforts of successive British governments to preserve peace in successive European quarrels and rivalries,<sup>1</sup> but strongly deprecated any effort on the part of the Canadian government to advise the British government on its policy. In his words, "So far as the Canadian government is concerned, it does not consider that it is in the interest either of Canada or of the commonwealth to tender advice as to what policy the United Kingdom should adopt week by week, or become involved in British political disputes. We have expressed no opinion on that policy, and no one in London is authorized or warranted in interpreting us as doing so." He believed that the true Canadian task was to build up a genuine democracy at home, to promote sound social relationships, and to develop a tolerance and readiness to work together in achieving unity and furthering ties with the other members of the Commonwealth and friendly relations with other countries.

In discussing this policy of "potential detachment", as one press correspondent described it, Mr. R. B. Bennett explained that he spoke only in a personal capacity, since he did not wish to commit in advance the Conservative party, which was to meet in national convention very shortly and would then make its own declaration. He reminded those who had voiced isolationist views that a major factor in Canada's external trade was her membership in the British Commonwealth, and that a frank recognition of that fact

<sup>1</sup> Later in the debate M. Lapointe was equally glowing in his praise.

was essential to any understanding of Canadian foreign policy. This stress upon the interlocking of Canadian with British interests, and upon the implications of partnership in the British Commonwealth as outlined in the Balfour Report of 1926, made him differ with the Prime Minister on the advisability of consultation with the mother country in order to arrive at a common policy. He felt that such a course of action was "the essence of sound common sense". Like Mr. King, the Conservative leader agreed that Parliament should decide upon the degree of participation by Canada in a war involving the British Commonwealth, but he repudiated much more strongly than the Prime Minister, the suggestion of Canada remaining neutral and still remaining in free association with the other members of the Commonwealth. Mr. Bennett also reminded the House that the degree of Canada's participation in war might also be decided by the enemy, not by ourselves. With a reference to the War of 1914-1918, he asked who it was that then planted mines off the coast of Nova Scotia, the Parliament of Canada or the German High Command. Repeatedly Mr. Bennett returned to the argument that freedom of association in the British Commonwealth contemplated consultation, solidarity, unity of purpose, harmony, and unity of action. He admitted that consultation was difficult, but argued that wireless and telephonic communication was much improved, and that consultation should therefore be held and maintained antecedent to action being taken. As he summarized it at the close of his speech, "From free association there arises the duty and responsibility of consultation, co-operation and maintaining at all times the fullest possible information with respect to every matter that has to do with the welfare of the Canadian people in connection with foreign countries". Canada could, if she desired, withdraw from the British Commonwealth, but Mr. Bennett did not think that such a choice would be made in his lifetime at least. He was firmly convinced that, in furthering the preservation of the Commonwealth, Canada would assist in preserving the peace of the world. The ex-Prime Minister was much franker in his comments on

foreign powers than his successor, declaring bluntly that the "German will or mind is the will for war not the will for peace", expressing his "feeling of deep-rooted resentment" against the Japanese for their "nefarious conduct", and criticizing the Japanese Minister to Canada for the nature of remarks he had recently made, a criticism with which the Prime Minister later concurred.<sup>1</sup>

It was noticeable in the debate that Mr. King emphasized the freedom of association of the members of the British Commonwealth, while Mr. Bennett had stressed the implications of association or partnership and placed less emphasis upon the new freedom of the Dominions. Mr. Woodsworth, who also disavowed any intention of talking party politics in his speech, declared himself much nearer to the Prime Minister in opinion than Mr. Bennett, but was still puzzled as to what the Prime Minister really intended to do. That lack of clarity, he felt, was noticeable in the discussion of the question whether Canada was likely to be drawn into war through her connection with the Empire.<sup>2</sup> Mr. Woodsworth was convinced that the present relationships between the Dominions and the United Kingdom were very unsatisfactory and might lead at any time to considerable difficulties. If Canada was not to go crusading again in Europe, as the Prime Minister had suggested, he believed the time to tell Great Britain so was now. Such a warning should be followed by a revision of the agreement covering the right of the British Admiralty to use the ports of Halifax and Esquimalt, in order to make them entirely Canadian ports. The C. C. F. leader was less happy than the Liberal Prime Minister about the conduct of British foreign policy since the Armistice, which

<sup>1</sup> Commenting on the debate in the *Canadian Forum*, vol. XVIII, July 1938, Professor Underhill argued that Mr. Bennett "has returned to the conception of Sir Robert Borden before and after 1914, that the British Commonwealth is one state for purposes of foreign affairs and that its unity of action in pursuing one common policy is to be achieved by continuous consultation among its members."

<sup>2</sup> "I for one confess my absolute inability to know where the government stands with regard to our obligations to the British Empire" (*Commons Debates*, 1938, vol. III, p. 3217).

he described as "one long succession of blunders". He was also disturbed by the growing assumption in business circles that Canada was to become an arsenal for Great Britain which he feared might lead before very long to the creation of vested interests at work on the side of war.<sup>1</sup> Such economic relationships seemed to him inconsistent with the Prime Minister's claim that Canada had no definite commitments, and Mr. Woodsworth argued that "the people of this country and parliament should know definitely where we stand in regard to these matters". The C. C. F. leader then closed his speech with a running commentary on the C. C. F. platform on foreign policy in which the right to declare neutrality was strongly urged, and a sincere appeal for Canada to pay the price of peace rather than plunge into the horrors of war.

From M. Lapointe came the retort to the Conservative leader that freedom was the bond and safest guarantee of association and of union between the various parts of the Commonwealth. The Minister of Justice spoke with deep conviction when he said: "I believe that I am really serving the aim of the preservation of that association, of that bond, by claiming absolute freedom in all matters of policy whether external or internal."<sup>2</sup> His definition of Canadian foreign policy was distinguished more by its breadth than its clarity. It was "to keep Canada out of war; to try to keep Canada at peace; to be peaceful with all the countries of the world; to have those family relations of which my right hon. friend speaks, with the other members of the commonwealth; to avoid offensive language towards other countries; and to save Canada for the destinies which are ahead of her".<sup>3</sup> After the leaders had spoken, only two private members took part in the discussion, one (Mr. A. MacInnis, C.C.F., Vancouver East, B.C.), to express bitter resentment at the Canadian government's treatment of the Spanish Republic,

<sup>1</sup> See F. R. Scott, "Canada, the British Ammunition Dump" (*Canadian Forum*, vol. XVIII, Sept. 1938).

<sup>2</sup> *Commons Debates*, 1938, vol. III, p. 3222.

<sup>3</sup> *Ibid.*, p. 3223.

and the other, a vigorous imperialist (Mr. T. L. Church, Cons.), to complain of the Government's lack of policy and courage in not supporting Britain wholeheartedly.

Almost immediately after Parliament adjourned on July 1, the Conservative party held a national convention to select a successor to their leader, the Right Hon. R. B. Bennett, who had tendered his resignation. Since this was the first convention held since 1927, it was necessary to overhaul the party platform. One of the most controversial issues proved to be foreign policy, over which French-Canadian Conservatives proved almost as suspicious of "imperialistic entanglements" as their Liberal counterparts. The first cause of dissension was the speech by Senator Arthur Meighen, the only other living ex-Prime Minister, who made a vehement attack upon the King government for the handling of the air training scheme. It was intended to embarrass the Liberal administration, but in the words of one shrewd observer, "all but torpedoed the convention".<sup>1</sup> After a glowing tribute to the British government, "that noble lion enduring humiliations never before endured, bringing to his aid a patience which has been the consternation of humanity in the effort to avoid trouble—hopeful still, struggling still. . .", the former Prime Minister dismissed as a fantasy and a sham the suggestion that Canada could have a separate and independent defence of her own. Today, as in the past, Canada leaned for strength and reliance upon "that great Mother Land and senior partner in this Empire of ours". Under such conditions it was incredible to the speaker that the Canadian government should refuse the British government the right to train its airmen in Canada in its own establishments, and that the Canadian people should "assume a posture of tremulous apprehension, apparently afraid that Great Britain might conquer Canada, and we become absorbed in an anxious analysis of constitutional niceties instead of trying to do something worth while". Like Mr. Bennett, Senator Meighen

<sup>1</sup> The Politician with a Note-Book, "Back Stage at Ottawa" (*Maclean's Magazine*, vol. LI, Aug. 15, 1938).

pleaded for Canadians to "behave the way partners behave when they have a common purpose and when they know that purpose is right". In a special plea to the French-Canadian delegates, who, he recognized, were not stirred by the same feelings about Great Britain and who declared that Canada was their only interest and affection, he urged that, in adopting the course of action he advocated, "we do the best we know how, to save the soil of Canadians, to save the liberties of Canadians, to preserve the name of our people as a people of good faith, a people of self-respect, a people of honour among all nations of the earth". To them Mr. Bennett also addressed a similar request "to join with other British subjects in the Commonwealth to ensure the prosperity and safety of the Commonwealth", while Sir Thomas White, who was Minister of Finance during the first Great War, declared: "To the realization of the inspiring purpose of keeping Canada as an integral and essential part of the British Empire . . . all the major policies of the Conservative Party had been consistently directed."<sup>1</sup>

While these speeches were warmly received by the English-speaking delegates, especially by those from the Province of Ontario, they were sharply criticized by the Quebec delegates, along familiar isolationist lines. One of the Quebec spokesmen declared that the party should oppose sending armed forces outside Canada without a national referendum. The resolution finally adopted on defence and co-operation was a compromise which might equally have been accepted by a Liberal convention. After affirming loyalty to the Crown and democratic government, praising the British Commonwealth as "a mighty influence making for world peace and the preservation of democratic institutions", and reaffirming "the principle of maintaining unimpaired the ties that built [*sic*] the British Commonwealth of Nations", the resolution concluded: "We believe that the defence of Canada and the preservation of our liberties can best be promoted by consultation and

<sup>1</sup> Extracts from these speeches were quoted in "Political Parties in Canada and External Affairs" (*Canadian Papers*, 1938, series E).



co-operation between all the members of the British Commonwealth of Nations." The one positive note struck in regard to foreign policy was a declaration favouring the exclusion of all Orientals from Canada, a policy which Mr. Bennett had already advocated in the House of Commons. On this question French Canada had no deep convictions, while British Columbia, as has already been noted, held very strong views. To many an observer it appeared that the Conservative convention, in choosing for its leader Dr. R. J. Manion, an Irish Roman Catholic with a French-Canadian wife, and in evading any clear-cut statement on closer imperial co-operation such as had been advocated, was attempting to win support from isolationist Quebec and had recognized, perhaps unwillingly but realistically, those domestic forces that have been shown repeatedly in this volume as impinging upon external policy.

At the C. C. F. convention held in Edmonton there was no such sharp brush over foreign policy, since the party's custom of holding an annual convention made debates on this subject almost continuous. There, too, a resolution proposing a referendum before a decision on policy in war time was ventilated, but was turned down by a large majority. The delegates still supported a policy of collective action against aggressors, and condemned the government for "its apparent acceptance of the anti-League policies of the great powers and its failure to support the principles of collective peace action". They believed Canada should help to rebuild the League, but in the immediate future should also clarify her own position in the British Commonwealth in order to regain complete freedom of action in the event of war. In keeping with Mr. Woodsworth's views the party declared that Canada should be preserved from economic entanglements which lead to war by adopting nationalization of the manufacture of arms, munitions, and war equipment. Should collective peace action fail to avert "the present headlong rush to war", the C. C. F. party would favour non-participation in any war "whose purpose is really in defence of imperialist interests", and

warned that, in the future as in the past, attempts would be made to dress up such wars in a guise acceptable to the general public.

While the C. C. F. resolutions on foreign policy of July 1938 largely reiterate the views of 1936 and 1937, there are slight but significant modifications which reflect the uneasiness and concern of the delegates at the rapid deterioration of the international situation. The resolution upholding the League and collective peace action contains a new sentence revealing increasing doubts about the feasibility of sanctions, and a recognition that the methods of peaceful change had not been fully explored in the past. This sentence reads, "It [the League] must place emphasis on conciliation and economic co-operation rather than on coercive restraint of aggression", a counsel of perfection which might almost be interpreted as stressing the virtue of appeasement. In the new section on "The immediate issues" the party outlined a short-term policy which is more isolationist in tone. Here is to be found the recommendation for the abrogation of the naval guarantees to Great Britain already quoted and the expressed concern with the implications of large-scale private manufacture of armaments. Finally, while the C. C. F. urged participation in the organization of collective peace action to prevent war and settle disputes peacefully, it was vague as to the advisability of participation in collective resistance against an aggressor in the event of war, and placed the emphasis on "the determination to keep Canada out of any war whose purpose is really the defence of imperialist interests". As one of the members of the convention wrote later, in a commentary on the resolutions, "In brief, the C. C. F. immediate policy may be said to lean to isolation for Canada, while leaving open the door to joint action should it appear in the best interests of the nation and of world peace to take part". He quoted as typifying such opinion the remarks of a leading Saskatchewan member: "The chances are ten to one that the next war in Europe is one in which Canada should be neutral, but because there is a chance of collective action being taken again, I do not want a policy of pure isolation."<sup>1</sup> And so on the eve of

<sup>1</sup> "Political Parties in Canada and External Affairs", p. 10.

the Czech crisis each Canadian party appeared to feel the need of recognizing the sense of detachment from Europe common to this continent and to leave carefully obscure its future course of action.

While Canadian political leaders were playing variations on the theme of "No Commitments", a forthright declaration from the President of the United States surprised and delighted them. Two years had passed since President Roosevelt declared at Chatauqua: "If there are remoter nations that wish us not good but ill they know that we are strong: they know that we can and will defend ourselves and defend our neighbourhood." This broad hint of Canadian-American solidarity in defence had not received, even in Canada, the attention it deserved. But none missed the significance of the President's statement on August 18 at Kingston, where he was the recipient of an honorary degree from Queen's University. Apparently the President made it entirely on his own initiative, as the Washington correspondent of the *New York Times* reported that officials of the Department of State admitted that the speech had not been prepared with their assistance. After referring to the common inheritance of democratic ideals shared by the United States and Canada and the changed rôle of the Americas, "no longer a far-away continent, to which the eddies of controversies beyond the seas could bring no interest or no harm", the President continued slowly and emphatically, "The Dominion of Canada is part of the sisterhood of the British Empire. I give to you assurance that the people of the United States will not stand idly by if domination of Canadian soil is threatened by any other Empire." Naturally this assurance was hailed with enthusiasm throughout Canada, while overseas in the European democracies, it was regarded, along with Mr. Cordell Hull's notable speech of August 16 condemning the decline of morality in international relations, as "a substantial contribution to political stability at a moment of tension and anxiety".<sup>1</sup>

In responding to this positive gesture two days later at Woodbridge, the Canadian Prime Minister expressed his

<sup>1</sup> "The United States and World Affairs: Two Warning Statements" (*Bulletin of International News*, vol. XV, Aug. 27, 1938, p. 7).

gratification that such words could be frankly spoken and received without reserve. He added that Canadians realized that there was no thought of a military alliance, which was inconsistent with the traditions of both countries, and that it did not reduce their responsibilities "for maintaining Canadian soil as a homeland for freemen in the western hemisphere". If anything, President Roosevelt's statement increased rather than lessened such responsibilities. It should be realized that if the United States were prepared to aid Canada when threatened by domination from a foreign empire it was equally true that Canada, as a good neighbour, should make her country as immune from invasion as could possibly be expected, and should see to it that "should the occasion ever arise, enemy forces should not be able to pursue their way, either by land, sea or air to the United States, across Canadian territory". A week later, in Toronto, the Minister of National Defence took the same attitude in referring to the President's "noble declaration". As he expressed it, Canada should not rely on her neighbours to pay the premium on her national insurance.<sup>1</sup> Mr. Mackenzie King was also careful in his Woodbridge speech to emphasize that the President's statement had no weakening influence upon Canada's relationship to the other members of the British Commonwealth. As he put it: "Our defence as well as the defence of all other parts of the empire we believe is found to be secured by consultation and co-operation with the other parts of the British Commonwealth. The common concern which each part would be expected to have for the whole was recognized by the President when . . . he prefaced his words explicitly by pointing out that the Dominion of Canada was a part of the sisterhood of the British Empire."

In the weeks following the Kingston declaration the Canadian government also gave tangible proof of its desire to co-operate helpfully with the United States. At Woodbridge Mr. King announced his intention of asking the provincial

<sup>1</sup> The Prime Minister also issued a statement on November 16, cordially endorsing a statement President Roosevelt had made on continental defence and recognizing Canada's responsibilities.

governments to open negotiations to remove difficulties over the proposed St. Lawrence seaway, which had always been dear to President Roosevelt's heart. On August 31, technical officers of the provincial governments affected were asked to meet to examine the proposed treaty. In September the Prime Minister agreed to set up a commission to investigate, in conjunction with a commission from the United States, the feasibility of a highway to join the State of Washington and the Territory of Alaska, which of necessity must pass through the Province of British Columbia. Congress had authorized such a commission in May 1938, and the Liberal Premier of British Columbia had expressed enthusiastic approval.<sup>1</sup> The third gesture of co-operation was the acceptance announced in September of an invitation to take part in the following spring in an Inter-American Travel Conference sponsored by the Pan-American Union. This was the first time the Canadian government had ever agreed to participate in such an inter-American activity.<sup>2</sup> When to these signs of co-operation is added the substantial aid rendered by Canada in furthering the Anglo-American Trade Agreement of November 1938, through the modification of its own tariff structure, it can be seen how willingly the Canadian government worked to strengthen the links of trade, interest, and friendship binding the two countries together.

Much more important than the Canadian reaction to the Kingston declaration was the response in the United States. It is natural for a small country to welcome the unsolicited protection of a good neighbour whom it had ceased to fear. It is less easy for the nationals of a great country to feel the need of assuming such a responsibility. Some Canadians may well have wondered if the American people would draw back from the implications of the Kingston speech as they had done from the Chicago speech of October 1937, on "quarantining"

<sup>1</sup> General Griesbach had criticized the project as a dangerous military commitment in the Senate on May 26, 1938.

<sup>2</sup> For an excellent brief discussion of the co-operation of the two countries in 1938, see the chapter "Common Ground with Canada" (W. H. Shephardson and W. O. Scroggs, *The United States in World Affairs, 1938*, New York, 1939, pp. 200-23).

aggressors. They may have wondered if the increasing likelihood of the British Commonwealth being drawn into the maelstrom of the European conflict might not induce the American isolationist, especially in the year of mid-term elections, to shout vigorously in protest. To their relief no effective protest was voiced. The President had been careful to state at a press conference after his return to his Hyde Park residence that no extension of the Monroe doctrine had been intended by his statement, since, he argued, Canada had always been included in the colonies and dependencies to which President Monroe's statement had referred.<sup>1</sup> In Washington the statement was described "as a logical if somewhat startling statement of a fact long since regarded as accepted in practice, if not written into the formal foreign policy of the United States".<sup>2</sup> The *New York Herald Tribune*, leading Republican organ, conceded that if the scope of the doctrine had been changed, it was only in a technical sense, and noted the timing of the announcement as giving it a "calculated portentousness".<sup>3</sup> In the months that followed the Kingston declaration other prominent American writers and speakers expressed views similar to those of the President. At a Conference on Canadian-American Affairs, sponsored by the Carnegie Endowment for International Peace, Queen's University, and St. Lawrence University, in June 1939, Major-General John O'Ryan (U.S. Army, retired), stated in a discussion of "Defence and External Relations": "I believe Americans accept the doctrine that from a strategic viewpoint an attack upon Canada is an attack upon the United States.

<sup>1</sup> See *ibid.*, p. 218: "But it has not been seriously doubted that the inclusion of Canada within the scope of the Monroe doctrine was intended from the moment of its promulgation and that this has been a long-recognized principle of the foreign policy of the United States." In "Does the Monroe Doctrine Cover Canada?" (*American Journal of International Law*, vol. XXXII, Oct. 1938, pp. 794-6), Dr. Lionel Laing is more cautious but concludes: "Whether this be the Monroe Doctrine or Roosevelt II Doctrine is beside the point—it is twentieth-century strategy."

<sup>2</sup> Quoted in Shephardson and Scroggs, *The United States in World Affairs*, 1938, p. 219.

<sup>3</sup> *New York Herald-Tribune*, Aug. 19, 1938.

I further believe that, aside from the dictates of military strategy, American response to aggression against Canada would be as certain and as automatic as the action of a lusty man who sees his own brother assaulted by individual malefactors."<sup>1</sup> During the same discussion Senator Thomas of Utah observed in a discussion of defence policy that "America's defence in the Pacific includes of necessity the defence of Canada's coast line".<sup>2</sup> Writing in *Foreign Affairs* in July 1939, on "The Frontiers of the United States", ex-President Lowell of Harvard University said *inter alia*: "As for Canada, everyone knows that no hostile army could land there without war with us; and a cession of Canadian land to another nation is inconceivable."<sup>3</sup> Perhaps most significant of all was the revelation of the attitude of the man in the street as tested by both the Gallup and *Fortune* polls. In the latter in January 1939, and a year later, the following question was asked: "If a major foreign power actually threatened to take any one of the following countries by armed invasion, would you be willing to see the United States come to its assistance with armed force?"<sup>4</sup> The percentage answering "yes" for each country was:

	January 1939	January 1940
Canada . . . . .	73.1	74.2
Philippines . . . . .	46.3	54
Mexico . . . . .	43	54.5
Brazil . . . . .	27.1	36.8
Hawaii . . . . .	no vote	55.1
Bermuda . . . . .	no vote	33.9
Belgium . . . . .	no vote	7.9

In the Gallup poll, after the declaration of war by Canada upon Germany, the following question was asked: "If Canada is actually invaded by a European power do you think the United States should use its army and navy to aid Canada?" Seventy-three per cent. of the voters answered "yes", twenty-

<sup>1</sup> *Proceedings, Conference on Canadian-American Affairs, 1939* (Montreal, 1939), p. 173.

<sup>2</sup> *Ibid.*, p. 180.

<sup>3</sup> Page 665.

<sup>4</sup> *Fortune*, Jan. 1940, p. 86.

seven per cent. were opposed, and only seven per cent. were without an opinion. To similar questions about the defence of a zone with in 1,500 miles of the Panama Canal, or of South America, the answers were respectively 72, 28, and 11 per cent. for the Canal zone, and 53, 47, and 13 per cent. for South America. These expressions of opinion, most of which came even after war had been declared by Canada, are enlightening and encouraging, a vital factor in Canada's defence strategy.

In the prolonged and painful suspense of September 1938, when the sacrifice of the integrity of Czechoslovakia averted a great war, the Canadian government played a cautious and undistinguished rôle.<sup>1</sup> Caution was in harmony with the expressed desire to retire to a back seat in the international arena and to concentrate first and foremost upon the preservation of Canadian unity. It was consistent with the deprecation of crusading adventures in the Old World which the Prime Minister had expressed in his speech of May 24. It is also, of course, quite possible to argue, as the Prime Minister did in his address of March 30, 1939, that Canadian unobtrusiveness suited the book of the British government during the crisis. As Mr. King then observed, "in such a situation when the British government on the spot was taking the lead in a purely mediatory capacity, the last thing we could properly do was to make any public declaration having the character or giving the impression of a belligerent statement".<sup>2</sup> It is not necessary to demonstrate the eagerness of the British government to avert war in 1938, but a significant revelation of its attitude was afforded in the debates after Munich in the Australian Parliament. Then the Attorney-General, in answering a question from the opposition about the extent to which the government had committed Australia to war in the event of conflict in Europe, replied: "The simple fact is that at no time from the beginning

<sup>1</sup> This caution is typified by the government's release on September 28 of *Documents Relating to the German-Czechoslovak Crisis, September, 1938* (Ottawa, 1938). This whole paper is a duplicate of the British release, and contains no Canadian correspondence at all.

<sup>2</sup> Mr. King's statements in the House of Commons of March 20 and March 30 were printed in a separate pamphlet, *The International Situation: Canada's Attitude towards Present-day World Problems* (Ottawa, 1939).



to the end of these discussions did the British government ever ask us to say whether we would send troops out of Australia. At no time did it ever ask any question at all about troops. At no time during the discussions, from the beginning to end of them, was any commitment made in relation to these matters by the Australian government."<sup>1</sup> What was true of consultation with Australia must have been equally true, perhaps even more true, of correspondence with Canada.

It is natural that the Canadian people were, in September 1938, markedly ignorant of the bases of the Czech crisis and appalled at the prospect of it leading to war. If the British people found it fantastic to be on the verge of war "because of a quarrel, in a far-away country between people of whom we know nothing", as Mr. Chamberlain remarked in his famous broadcast of September 27, how much more so did the prospect displease a French-Canadian habitant, a Maritime fisherman, or a Saskatchewan wheat farmer?<sup>2</sup> Those in Canada, a very small minority, who would have supported a League war against the aggressor, were short-circuited in acting upon their convictions by the obvious determination of the Great Powers not to use the League machinery. In the League Assembly, for instance, on September 16, Earl De La Warr, Lord Privy Seal in the British government, asked the delegates to recognize that sanctions, whether economic or military, had become optional and discretionary for all League members.<sup>3</sup> Those in Canada, also a minority, who were prepared to shout "Ready, aye, ready" when the British

<sup>1</sup> Quoted in Mr. King's statement of March 30, 1939 (*The International Situation. Canada's Attitude towards World Problems*, p. 23).

<sup>2</sup> See "Overseas Reactions to the Crisis: IV, Canada" (*Round Table*, vol. XXIX, Dec. 1938, p. 39). As in England, too, there was inexpressible horror at the thought of war and corresponding relief when peace was assured.

<sup>3</sup> The Geneva meetings did give the delegates from the Dominions a chance to meet in order to discuss the Czech crisis, on September 13, in what might be called a "Little Geneva Imperial Conference". M. Lapointe was the chief Canadian delegate, and it may be surmised that his reports were among those other sources of information, apart from British sources, to which the Canadian Prime Minister referred in describing how the government was kept in continuous and close touch.

government called for aid, had no opportunity, as in the Chanak crisis of 1922, to show their eagerness to follow a lead from the mother country. Hence, with both the collectivist and the imperialist very largely immobilized, the Canadian government needed only to abstain from provocative comment to allay the perennial doubts and fears of the English isolationist and the French-Canadian nationalist. And that was precisely its course of action.

In the first half of September the government issued no statement of any kind. In a press despatch of September 13 the Ottawa correspondent of the Southam papers reported that long cables were coming in steadily but that their nature was that of information rather than consultation. He added: "The action taken by the Chamberlain administration is believed to be supported here as much as by other Dominions, but any official statement on the subject is quite studiously avoided." On the following day (September 14), when the British Prime Minister announced his flight to Berchtesgaden, Mr. King telegraphed his "deep satisfaction", and said "the whole Canadian people will warmly approve this farseeing and truly noble action on the part of Mr. Chamberlain. He has taken emphatically the right step." In the next two days the Canadian Legion's national convention urged the government to back the stand of the British Empire, and some Conservative papers began to ask editorially "Where is Canada Now?" Mr. King's statement of September 17 did not give them very precise information. It assured the country that the government was giving its "unremitting consideration" to the European situation, and voiced warm approval of the British government's courage and vision in working for peace. Should the efforts for mediation fail the government would summon Parliament forthwith and submit its recommendations. Then followed the key sentence: "In the meantime we do not consider, in the light of all the circumstances known to us, that the public controversy as to action in hypothetical contingencies would serve the interest of peace of Canadian or Common-

wealth unity." This policy of sphinx-like reserve was buttressed by a pointed reminder "that the Government of the United Kingdom, striving for peace, and knowing the situation, have considered it desirable to exercise restraint in any public statements at this stage regarding the course to be taken if peace fails". Since the occasion for summoning Parliament did not arise, the Prime Minister was not called upon to reveal what his recommendations would have been. Lacking information, we may enter the realm of conjecture with the usually well-informed "politician with a note-book" who wrote later in his column in *Maclean's Magazine*: "Had Hitler marched into Czechoslovakia, bringing Britain and France against him, Mr. King was prepared to call Parliament within two weeks and submit to it a policy of Canadian participation. . . . The Cabinet was unanimous."<sup>1</sup> That such a policy would have been accepted by the Canadian people with grim resignation but not with enthusiasm is the verdict of all who commented on the situation, although grave doubts were expressed about the response from Quebec.<sup>2</sup> During Mr. Chamberlain's second visit to Germany the Cabinet held an emergency session on September 23, at which defence measures were discussed but no statement was issued. The tide of feeling was beginning to rise as the harshness of the terms for the Czechs was realized, and the truculent attitude of the German government towards Britain as well as towards Central Europe became increasingly apparent. The *Toronto Globe and Mail* carried a despatch from its London correspondent commenting critically upon Canada's apparent "defection in the matter of the Empire's responsibilities", and circularized a large number of prominent Torontonians to obtain their views on the following question: "Do you believe that Canada should at once declare to the world her intention of standing

<sup>1</sup> "Back Stage in Ottawa" (*Maclean's Magazine*, vol. LI, Nov. 1, 1938).

<sup>2</sup> See Shephardson and Scroggs, *The United States in World Affairs*, 1938, p. 222, "Overseas Reactions to the Crisis: IV, Canada" (*Round Table*, vol. XXIX, Dec. 1938, pp. 42-3); John Bird (ed.), *After Munich: Where Do We Go from Here?* (Winnipeg Tribune, 1938), p. 1.

beside Britain in the event that war is forced upon her?" It claimed that 99 per cent. answered "yes". The Canadian Corps Association offered to raise and train a division "to be available for the need of the empire". The Montreal Trades and Labour Council and similar groups pledged labour's support against Nazi Germany. The Army and Navy Veterans' annual convention in Winnipeg pledged support to Empire defence, and the provincial convention of the Conservative party in British Columbia passed a unanimous resolution on September 26 that Canada should stand behind Great Britain. That same day *The Times* of London carried a cable from its Ottawa correspondent reporting a "steadily growing solidarity of national sentiment that if Britain resists Canada must support her". Such statements and resolutions the Canadian Prime Minister later described as "vociferous demands for red-blooded ultimatums, for statements that Canada was prepared to fight for democracy and Czechoslovakia, for statements that Canada would support Britain without limit in war on this issue, for pledges of support such as other dominions were alleged to be giving".<sup>1</sup> The only response from the government, after a lengthy session of the Cabinet which considered Mr. Chamberlain's Empire broadcast of September 27, was another press release which endorsed the British Prime Minister's speech, reiterated the promise to summon Parliament if peace efforts should fail, and earnestly appealed for unity. "For our country to keep united is all-important. To this end, whatever we may say or do, we must seek to avoid creating controversies or divisions that might seriously impair effective and concerted action when Parliament meets." The following day Dr. Manion, the new Conservative leader, issued a statement which pledged the full co-operation of the national Conservative party in whatever steps the government might take "in support of Mr. Chamberlain and the empire". The delay in issuing this statement during the crisis was rather noticeable,

<sup>1</sup> *The International Situation: Canada's Attitude Towards World Problems*, p. 16.

and did not please some of the Conservative newspapers, but drew from the Prime Minister an expression of appreciation when Parliament assembled in January 1939.<sup>1</sup> Then came the news of the Munich Conference which evoked a glowing telegram of congratulation from the Canadian Prime Minister to Mr. Chamberlain.<sup>2</sup>

In Canada, as in Britain, the Munich settlement was greeted with enthusiasm and heart-felt relief. Critics of Mr. Chamberlain's efforts were looked upon almost as traitors and were drowned out in the paeans of praise that were heard from almost every newspaper and politician.<sup>3</sup> A little later, when the gloomy views of Mr. Churchill, the resignation of Mr. Duff Cooper, and the gradual accumulation of evidence about the shabby manner in which the Czechs had been treated by both friend and foe, were analysed, there ensued a dampening of admiration.<sup>4</sup> But in general the spirit of appeasement lasted longer in Canada than in Britain. The second phase of the post-Munich period was devoted to a stock-taking of Canadian foreign policy. Most students of public opinion were inclined to agree with Professor Frank Scott that the League had been dealt a death blow in the negotiations, and that, as a consequence, whereas "before the

<sup>1</sup> *Commons Debates*, 1939, vol. I, p. 52. "By his silence he sought not to embarrass the government at a very critical time. . . . I thought my hon. friend showed good judgment on that occasion, and not only good judgment but true patriotism." During the session Dr. Manion twice complained that he had not been informed at all in September of the progress of negotiations.

<sup>2</sup> On March 30, 1939, Mr. King repeated his praise of the British statesman. "I shall merely express my own belief that, given the circumstances as they actually existed last summer, Mr. Chamberlain made the emphatically right choice in striving to prevent the outbreak of war. It required unusual courage, disregard of risks to his personal prestige, prompt decision and dogged persistence to carry through those last forthright efforts for peace. Mr. Chamberlain never lost his patience, his temper or his head."

<sup>3</sup> One of the sanest comments on the Munich settlement, made almost immediately after its publication, came from the national president of the League of Nations Society in Canada, Senator Cairine Wilson.

<sup>4</sup> A revealing discussion of the pros and cons of Munich was conducted in the *Toronto Saturday Night* for over two months.

Munich settlement there were three main groups of opinion in Canada—imperialist, collectivist, and isolationist or Canadian nationalist—two of which advocated Canada's participation in external affairs, today there are only two groups, only one of them willing to intervene in Europe".<sup>1</sup> Some Canadians were dissatisfied with the partial absence of freedom of choice left for Canada to decide, as revealed in the crisis, and began to campaign for a clarification of the right to neutrality, which had been repeatedly urged by the C. C. F. Others, alarmed at the British position, found themselves all the more disposed to consider co-operation with the United States to defend democracy in the western hemisphere, since it did not seem likely to be upheld in Europe;<sup>2</sup> some of them urging representation in some form or other at the Lima Conference of the Pan-American Union.<sup>3</sup> From a minority came the appeal for developing a more satisfactory method of co-operation in the British Commonwealth which they felt must learn to depend more and more upon its own resources and those of its ally, France.<sup>4</sup> Upon one point only was there general agreement. In a war-torn world where German ambition seemed insatiable, and the fate of small states dubious, Canada must increase her armaments, which might be viewed solely for her individual defences, as a pledge of sincerity in response to the American offer of protection or as a contribution to the general stock of the British Commonwealth.<sup>5</sup>

Meanwhile the Canadian government faintly continued to hope that appeasement might yet receive the response

<sup>1</sup> F. R. Scott, "A Policy of Neutrality for Canada (*Foreign Affairs*, vol. XVII, Jan. 1939, p. 413).

<sup>2</sup> See "Canada: Foreign Policy after Munich" (*Round Table*, vol. XXIX, Dec. 1938, p. 151).

<sup>3</sup> See Mr. King's comments (*The International Situation: Canada's Attitude towards World Problems*, p. 34); Mr. Woodsworth (*Commons Debates*, 1939, vol. I, p. 78).

<sup>4</sup> See M. A. MacPherson, *After Munich: Where Do We Go from Here?*, p. 18; R. G. Trotter, "Canada's New National Outlook" (*Events*, Feb. 1939, pp. 104-8).

<sup>5</sup> See *Saturday Night* quoted in *Round Table*, vol. XXIX, Dec. 1938, p. 150.

it so earnestly craved. Quietly, and without consulting Parliament, it made its own little gesture. On December 22, it was announced that the Canadian government had requested the British Ambassador in Rome to convey to the Italian government its recognition of King Victor Emmanuel as Emperor of Ethiopia.

## V. 1939. THE APPROACH TO WAR

If at times I have been silent and seemed to be shirking responsibility in not discussing every point that has been raised, it has been because for the last three years I have been living with this awful dread of war.     PRIME MINISTER MACKENZIE KING<sup>1</sup>

THE parliamentary session which opened on January 12, 1939, was expected to be the last before dissolution. Naturally the members of the House of Commons were anxious to put on record, for the benefit of their constituents, their views upon current national problems and their pride in the energy and enterprise of their constituents. As a consequence the debate on the Governor-General's speech was unusually protracted because of the number of members participating, and long discussions were in order upon the new trade agreement with the United States, the programme for prairie farm rehabilitation, the proposed new central mortgage bank, and other matters of domestic legislation. The report of judicial inquiry into the Bren gun contract, which was provoked by the article written by Colonel George Drew in *Maclean's Magazine*, gave the opposition an opening for attacks on the administration of the Department of National Defence of which it took full advantage. And yet with all the preference for a discussion of domestic matters, foreign affairs provided the basis for another full-dress debate which reflected both the uneasiness and relief experienced after Munich.

Uneasiness could be detected in the announcement in the Governor-General's speech that, despite the efforts for a solution of the specific differences which caused friction in Europe, time was required for the forces working for peace to

<sup>1</sup> In the House of Commons, September 8, 1939.



become operative, and that "the possibility of further tension in the meantime must be faced".<sup>1</sup> A more cogent proof was the listing in the estimates of \$63.5 million for defence, almost twice the figures for 1938. Yet the government, like its counterpart in England, kept hoping that something would turn up to improve matters, and early in March expressed moderate optimism.<sup>2</sup> Relief that the nightmare of war had been averted was expressed by a score of members during the debate on the address. As might be expected, Liberals praised the statesmanship of the Prime Minister, Conservatives were loud in their admiration of Mr. Chamberlain, and C. C. F. members were gloomy about the sacrifice of Czechoslovakia and the illusory gains which had been achieved.<sup>3</sup>

While the Prime Minister would have preferred to have been proudly preoccupied with the multifarious details of the projected visit of the King and Queen, which had been greeted in the press and in Parliament with great enthusiasm, during the session he gave three statements on foreign policy which paved the way for the attitude he assumed in September. The first came on January 16 during his speech on the Governor-General's address, and was uttered so casually that

<sup>1</sup> On January 20, the Prime Minister showed Dr. Manion certain alarming despatches which had just been received. When, later in the session, the leader of the opposition twitted the Prime Minister with bringing up "the phantom of war" to evade a discussion of the method of awarding war contracts, Mr. King replied. "I question very much if he would have wished to receive despatches which were more serious than those which I showed to him" (*Commons Debates*, 1939, vol. II, p. 1624).

<sup>2</sup> See Mr. King's statement (*ibid.*).

<sup>3</sup> One Liberal member, the Rev. Daniel McIvor (Fort William, Ont.), actually claimed that the Prime Minister's visit to Berlin in the summer of 1937 "sowed seeds of truth in the mind of Mr. Hitler so that when Mr. Chamberlain came to visit him the way had been prepared" (*ibid.*, vol. I, p. 87). A French Canadian, M. E. O. Bertrand (Pescott, Ont.), expressed "whole-hearted gratitude for the non-committal attitude taken by the Prime Minister and his government during the dark days of the European crisis in 1938" (*ibid.*, p. 98). A prairie member, Mr. Tucker (Rosthern, Sask.) declared "his statesmanship on that occasion was worthy of the highest traditions of all past great prime ministers in British countries" (*ibid.*, p. 89).

its full implications were not immediately realized.<sup>1</sup> During a discursive speech, which covered the criticisms raised by the leader of the opposition on the previous day, the Prime Minister mentioned a volume of reminiscences just published by a former Liberal Cabinet Minister, the Hon. E. M. Macdonald, and said that he proposed to quote from it an extract from a speech made by Sir Wilfrid Laurier in the debates on the Naval Service Bill in 1910, which described Liberal policy concerning participation in war then as now. "I wish to give it", he said, "as a statement of the Liberal policy as it is today and as it will continue to be under the present Liberal administration."<sup>2</sup> The extract read: "If England is at war we are at war and liable to attack. I do not say we will always be attacked; neither do I say that we would take part in all the wars of England. That is a matter that must be guided by circumstances, upon which the Canadian parliament will have to pronounce and will have to decide in its own best judgment." This statement, which reduced considerably the field of action for Parliament, to which Mr. King had been willing in May 1938 to leave the right of decision upon both participation and neutrality,<sup>3</sup> found a puzzling echo in the Senate on the following day. Senator Meighen, the Conservative leader, in the discussion

<sup>1</sup> See the despatch of Mr. Bruce Hutchison, to the *Vancouver Sun* on Feb. 11. "Mr. King chose to make this historic announcement in a fashion to attract the least attention. . . . The whole thing was so casual that the House of Commons had only begun to realize now what it meant, how it has begun to turn Canadian politics upside down. . . . The politicians have just begun to realize that the Liberal party has made itself the party of the British connection. The Conservative party has just begun to realize that if Dr. Manion fails to equal Mr. King's announcement, he can hardly hope for support in English-speaking Canada, and if he does equal it he may have to throw away his hope of capturing Quebec. . . . Quebec's immediate reaction to Mr. King's announcement was an outburst of isolationism among the French members . . . on both sides." In a subsequent despatch on March 20, Mr. Hutchison claimed that the speech was made "without the least warning to his cabinet".

<sup>2</sup> *Commons Debates*, 1939, vol. I, p. 52.

<sup>3</sup> "The policy of the government in respect to participation and neutrality is that Parliament will decide what is to be done" (*ibid.*, May 24, 1938).

of the address, returned to his theme of the previous summer and asked rhetorically: "Why can we not say we are working in co-operation with that great country which has been our defence all through the life of this Dominion of ours?" He said that the government knew that peril to Britain was peril to Canada's security, and begged the government to say frankly that they were taking part in Empire defence, and were interested in the security of Britain, as they must always be, that they were interested in the security of France and that "in the defence of democracy they will not wait until three-quarters of its defences have gone".<sup>1</sup> In reply Senator Dandurand, the Liberal leader, declared that the government was organizing its defence to meet any emergency, and did not know the circumstances which it might have to meet and with whom it would have to co-operate. Though the Prime Minister had declared that Canada was at war when Britain was at war, the French-Canadian senator preferred to lay emphasis upon the difficulty of fixed and automatic co-operation with Britain. Senator Meighen's rhetorical question he countered with another equally rhetorical: "Does he expect that Canada will agree to dance to the tune of any British government be it Tory, Liberal, Labour or Socialist; that Canada, whether it approves or not will have to say yes?" After quoting illustrations of what he called the double somersaults of three British governments in five years on the question of compulsory arbitration, Senator Dandurand continued: "Now, I ask the right honourable gentleman, would his plan of co-operation force Canada to be at the beck and call of every wabbling British government? Are we to revert to the status of a Crown colony?" His reference to the Prime Minister's statement was perhaps designedly ambiguous. "I may say that on this question the Liberal policy has not varied from the time of Sir Wilfrid Laurier's pronouncement in 1910, which affirms the authority of the Canadian Parliament in the matter of our co-operation in a conflict which does not affect Canada directly, and to-day the Prime Minister, Mr. King, reaffirms the sole authority of

<sup>1</sup> *Senate Debates*, 1939, pp. 22-3.

the Canadian Parliament with regard to our participation in any conflict." In a reference to the increased defence estimates, Senator Dandurand envisaged their function as designed to meet only two contingencies: to defend Canadian neutrality if the United States were involved in war, and to resist attack resulting from an embargo which Canada might impose upon an aggressor against the Commonwealth. Apparently Senator Dandurand envisaged no co-operation beyond an embargo in Commonwealth wars. He described the military expenditures as "exclusively for defence" which involved or implied no question of military expeditions abroad, and even declared: "There is hardly any doubt that if to-day or to-morrow a Government decided to recommend to Parliament the sending abroad of expeditionary forces it would find itself with a Rump cabinet when facing Parliament, and that, surely, would not make for unity."<sup>1</sup>

No such frank statement or threatening hint had come from any other French-Canadian Cabinet Minister, but in continuing the debate, French-Canadian members from both sides of the House were antagonistic to co-operation overseas. Three of them, MM. Maurice Lalonde (Labelle, Que.), Lacombe (Laval-Two Mountains, Que.), and Lacroix (Quebec-Montmorency), argued that the "glorious emancipation" achieved by the Statute of Westminster had changed conditions since Laurier had made his statement in 1910. One of them admitted that Canada might soon have to decide "whether we should bleed our country white in order to protect the empire's interests",<sup>2</sup> but believed that the Liberals remembered only too well the experience of 1917.<sup>3</sup> The most forthright speech came from a Conservative member, M. Georges Héon of Argenteuil, who was careful to make it clear that he spoke only for himself.<sup>4</sup> He argued that the Prime

<sup>1</sup> *Ibid.*, 1939, pp. 24-6.

<sup>2</sup> *Commons Debates*, 1939, vol. I, p. 179.

<sup>3</sup> M. Lacroix's remedy was: "Let us loudly assert our neutrality thus giving to our country the true independence which it has won" (*ibid.*, p. 473).

<sup>4</sup> It is noticeable that, of the seven Conservative speakers who followed M. Héon, not one referred to his speech.

Minister's statement indicated that "the isolationist element in the cabinet seems to have been finally overridden",<sup>1</sup> and poured scorn on the doctrine that when Britain is at war Canada is at war. "What an admission to make when 70,000 Canadians are sleeping their last sleep in France, and we have a two billion dollar war debt for having followed this now-antiquated policy in 1914." It seemed madness to him that, at a time when Canada could not rescue her own people from poverty, hunger, and unemployment, she might be called on to spend enormous sums and, perhaps, another hundred thousand lives, because of the glaring blunders of British and French foreign policy in the past twenty years. If Canada, which had no share in the framing of these policies, was committed by them, in his opinion Canada was not a North American state but "only a glorified extension of Britain and France in America", and Canadians were only little boys playing at foreign policy to be seen but not heard on questions of war. M. Héon felt that the claim that Parliament had the right to decide upon the extent of participation in war was of little value, and that the present Parliament had no mandate from the people to decide on such an issue. That must be, especially in Quebec, the issue of the next election, which he defined as "Colonialism or Canadianism". M. Héon denied that he was a pacifist, but maintained that he would only support a war that threatened Canada's very liberty, independence, and existence.

The occasion for the Prime Minister's second statement on foreign policy was Germany's second assault on Czech independence and Mr. Chamberlain's famous Birmingham speech of March 17, in which he bitterly reproached the German leader for having broken faith with him, and expressed his grave anxiety that the latest German move might be a step in the direction of attempting to dominate the world by force. The British Prime Minister felt that such questions should require grave and serious consideration by the British Commonwealth and France to whom Great Britain would naturally turn first. On the same day a Toronto member

<sup>1</sup> *Commons Debates*, 1939, vol. I, p. 471.

asked if the Prime Minister would make a statement on the situation. Before he did so, Dr. Manion, who may have been anxious to avert criticism from those Conservatives who had deplored his reserve in September 1938, and who was pressed by his party to make his position known, issued a statement to the press on March 19.<sup>1</sup> As in September his statement urged the importance of maintaining Canadian unity, and disavowed any intention of adding to the government's difficulties or embarrassing them in any manner. It sharply criticized Hitler's actions and urged that all the liberty-loving democracies—Britain, France, the United States, the Dominions, and the smaller free countries—announce clearly "their determination to stand together in a solid front against the tyranny of the Hitlerian dictatorship". He expressed his party's willingness to join the government "in making it clear to the world that the Canadian people with one mind and heart are determined to preserve their national liberties".

On March 20 the Prime Minister made a statement, on which he promised to enlarge later, when presenting the estimates of the Department of External Affairs.<sup>2</sup> Mr. King admitted that the recent developments in Central Europe were a surprise to him as well as to other governments more immediately concerned. He criticized Germany's "wanton and forcible occupation" of Prague, and agreed that it was necessary to take stock and prepare for all future contingencies. In response to Mr. Chamberlain's suggestion of consultation he agreed to take part at any time in such deliberations with the United Kingdom and such other countries as might be appropriate. Fortified by Mr. Chamberlain's Birmingham statement, "I am not prepared to commit this country by new and unspecified commitments operating under conditions which cannot now be foreseen", the Prime Minister urged that time be granted to clarify the issues and learn what

<sup>1</sup> The statement was quoted by him later in the House (*ibid.*, vol. III, p. 2431).

<sup>2</sup> For the speeches of all party leaders at this time, see *ibid.*, vol. II, pp. 2042-7).

policies were being considered before the government made a statement as to its course of action in the anticipated contingency. But he did offer a forecast of first-rate importance: "If there were a prospect of an aggressor launching an attack on Britain, with bombers raining death on London, I have no doubt what the decision of the Canadian people and parliament would be. We would regard it as an act of aggression, menacing freedom in all parts of the British commonwealth. If it were a case, on the other hand, of a dispute over trade and prestige in some far corner of the world, that would raise quite different considerations." This distinction, which the *Manchester Guardian* interpreted as making pretty certain that "support for the British Government will rise in the proportion that the British Government pursues a genuinely collective policy and not merely a selfish imperialistic one",<sup>1</sup> was of course a gesture to Quebec to meet the passionate complaint, as voiced by M. Héon, that the Canadian government was tied far too tightly to the apron strings of British imperial policy. To a slight extent Mr. King also restored to Parliament some of the freedom of decision which he had curbed in his January speech. He promised that, after consultation on the form of co-operation which might be required in an emergency,<sup>2</sup> the government would report its findings to Parliament as "the sole and responsible authority to speak for Canada on such grave issues". The Prime Minister reaffirmed his belief in Parliament as the most important national institution and recognized its supremacy, especially on the issue of peace or war.

Mr. King's most positive declaration since he assumed office in 1935 of willingness to participate in a European war, encountered no opposition from the other party leaders. Dr. Manion described the situation as too serious for any political manoeuvring, and defined the issue as "democracy and Christianity against Hitler's totalitarianism". His statement was almost entirely a repetition of his press release which was

<sup>1</sup> Editorial, March 24, 1939.

<sup>2</sup> The British government had not at that time initiated discussions.

coloured by an eloquently phrased indictment of the horrors of war based on his personal experiences in 1914-18.

Mr. J. S. Woodsworth pleaded for the utilization of the existing machinery for collective peace action<sup>1</sup> and offered three concrete suggestions. These were the immediate prohibition of the export of war materials to Germany,<sup>2</sup> the imposition of a supertax on German exports to Canada, and a declaration of willingness to assume some responsibility for the care of refugees from distressed countries. The Social Credit leader, Mr. J. H. Blackmore, endorsed the plea for Canadian unity and the proposed consultation with other countries, but wanted as well an earnest effort to discover and remove the mistaken policies and ignorance which were driving nations to war. On this note of despairing helplessness the discussion adjourned.

During the next ten days Parliament learned something of Canadian opinion beyond its walls. The Prime Minister was widely praised by the English-speaking press, but the most powerful French-Canadian associations protested against entanglement in an imperialistic war, students demonstrated in the galleries of the Quebec legislature,<sup>3</sup> and Mayor Houde of Montreal made some ill-judged references to Quebec as being really fascist at heart which had a cool reception in his own province as well as elsewhere. While Quebec was suspicious, Ontario hastened to display its traditional patriotic fervour. Without a dissenting vote, the Ontario legislature adopted a resolution urging the government of Ontario to "take cognizance of the fact that the present international crisis in Europe calls for immediate action on the part of the

<sup>1</sup> Later Mr. J. W. Coldwell asked if the government would consider the advisability of proposing a special League conference and attempt to seek co-operation with the United States.

<sup>2</sup> In response to an interjection, the C.C.F. leader said that he was quite willing to apply the embargo to Japan as well.

<sup>3</sup> M. Duplessis refused to express opposition to participation in Empire wars, but added that Quebec's attitude was sufficiently understood by all. See "Canada and the War Danger (*Round Table*, vol. XXIX, June 1939, pp. 575-6).



component parts of the British Empire, in support of any action which it may be necessary for the imperial government to take". The resolution then petitioned the Canadian Parliament "to immediately pass legislation providing that in the event of a war emergency, the wealth and man power of Canada shall be mobilized by proclamation of the governor general in council, for the duration of the war, in defence of our free institutions".<sup>1</sup>

Before the political atmosphere became any murkier, the Prime Minister intervened on March 30 with a speech<sup>2</sup> which, he said, was designed, like the preliminary survey delivered by the Secretary of State for Foreign Affairs at Imperial Conferences, to give "a comprehensive and yet concise review of international affairs, and of the government's policies with respect thereto". The statement was more comprehensive than concise, combining as it did a review of the Czech crisis, an analysis of the forces governing Canadian opinion, some philosophical reflections upon the future of civilization, and a carefully phrased exposition of government policy. The Prime Minister went to great pains to refute the oft-repeated claim that Canada alone had lagged behind the other Dominions in declaring its willingness to support the British government in war on behalf of Czechoslovakia. After a careful analysis of the statements made in the other Dominions, Mr. King was able to claim that "none of the governments of the commonwealth, it will be seen, was issuing ultimatums or seeking or giving undertakings as to the course to be followed in the event of war". As in his statement of March 20, Mr. King quoted with relish the British Prime Minister's refusal "to engage this country by new and unspecified commitments operating under conditions which cannot be foreseen", an attitude which he declared to be

<sup>1</sup> The resolution was quoted by Mr. T. L. Church (*Commons Debates*, 1939, vol. III, p. 2458). It may be inferred that Mr. Hepburn did not object to calling upon the Dominion government to take steps which he well knew would embarrass Mr. King in Quebec. See the editorial, *Saturday Night*, April 1, 1939.

<sup>2</sup> *Commons Debates*, vol. III, pp. 2409-28.

precisely his own. Whether it were a League war or a war outside the Covenant, Canada would never accept automatic commitments, but only act with the approval of Parliament.

In his discussion of factors contributing to the determination of Canadian policy Mr. King stated very fairly the isolationist argument. One can detect a strong sympathy with that point of view in the sentence which was later much quoted: "The idea that every twenty years this country should automatically and as a matter of course take part in a war overseas for democracy or self-determination of other small nations, that a country which has all it can do to run itself should feel called upon to save, periodically, a continent that cannot run itself, and to these ends risk the lives of its people, risk bankruptcy and political disunion, seems to many a nightmare and sheer madness."

After a tribute to the Roosevelt declaration of August 1938,<sup>1</sup> which was quickly followed by an assertion that it had in no way lessened the intimacy of relations with the United Kingdom, Mr. King referred to the increasing interest in the Pan-American Union and to the suggestion which Mr. Woodsworth had already voiced in the House<sup>2</sup> that Canada should have participated in the Lima Conference of December 1938. He explained the technical reasons why attendance at Lima was impossible, and added that he did not believe public opinion was as yet sufficiently widespread or informed to warrant asking a friendly member to propose the necessary alteration in the constitution of the Pan-American Union.

The Prime Minister then examined his own use of Sir Wilfrid Laurier's statement in January, and took strong exception to the manner in which only parts of it had been used as the basis for criticism. He argued that Sir Wilfrid's claim that "If England is at war, we are at war and liable to attack", was not a reference to limitations upon Canadian autonomy, but a recognition of the fact that a nation at war

<sup>1</sup> In April, during an address to the governing board of the Pan-American Union, the President reiterated his pledge.

<sup>2</sup> *Commons Debates*, 1939, vol. I, p. 78.

with Britain will decide as suits its purpose whether or not to regard Canada as a subject for attack as well.<sup>1</sup> In meeting the claim of some French-Canadian members that the Statute of Westminster had altered this position of belligerency, the Prime Minister agreed that momentous changes, constitutional and economic, had occurred since 1910, but contended that war-time relationships in the Commonwealth were still unclear, mainly for the "simple and fortunate reason that no part of the Commonwealth has engaged in any war in the past twenty years, aside from minor border raids, and consequently there has been no testing of practice, no accumulation of precedent". To those who, like Mr. J. T. Thorson (Liberal, Selkirk, Man.), wished to have adopted a resolution proclaiming the right of Canada to decide its own neutrality in the event of war, the Prime Minister answered that such legislation might cause "passionate controversy and acute differences of opinion", and that the same consideration of the overwhelming importance of national unity which led the government to decline premature and inappropriate statements of possible belligerency operated against declaring positive neutrality. He also argued that such a declaration might lend aid and comfort to a potential aggressor, who would confuse the desire to have the right of neutrality with the determination to maintain neutrality under all circumstances.

In the Prime Minister's review of policy, the most important element was his analysis of the changed conditions of war strategy which had brought about a marked decentralization of defence activities in the British Commonwealth. This decentralization had created a greater preoccupation with local defence, a greater responsibility for it, and had made the Dominions more self-contained in the means of defence. As in 1937 the Prime Minister expressed the opinion that the day of great expeditionary forces was unlikely to recur, and that it was extremely doubtful if the Dominions would ever

<sup>1</sup> Mr. R. B. Bennett had argued along similar lines in the debate of 1938.

send another expeditionary force to Europe.<sup>1</sup> From this important assumption the Prime Minister drew the equally important conclusion that it was unnecessary for Canada, either in defending her own liberties, or in resisting aggression by any country seeking to dominate the world by force,<sup>2</sup> to utilize conscription to secure men for overseas service. "Let me say", said Mr. King, "that so long as this government is in power no such measure will be enacted." The pledge was also given that, if war should come, the government would rigidly control war profits and suppress profiteering in other commodities.

Mr. King's speech might be compared to the annual Christmas "treat" at which a benevolent and shrewd Sunday school superintendent endeavours to give pleasure as evenly as possible to all the scholars. To isolationists, whether Socialist or French-Canadian, was offered a fair and sympathetic statement of their case, a forecast of the unlikelihood of heavy commitments in Europe, and a promise of future consideration of membership in the Pan-American Union. To the imperialist, and, to a limited extent, the collectivist, came the assurance of co-operation with the rest of the British Commonwealth in any war of unprovoked aggression which gravely threatened the existence of the United Kingdom, and the rejection of the proposal to claim the right of neutrality, as ably advocated by Mr. J. T.

<sup>1</sup> Such a conclusion seems odd to us after fifteen months of war and the despatch of expeditionary forces from three Dominions, but it represented expert opinion until presumably some time in the late spring of 1939. Thus, at the British Commonwealth Relations Conference at Sydney, Australia, in September 1938, a distinguished United Kingdom delegate and veteran soldier told his colleagues: "It is essential, when talking of Commonwealth co-operation, to realize that Great Britain no longer thinks in terms of what might be called a cannon-fodder plunge into a European conflict, and that the members of the Commonwealth should no longer think in terms of contributions of masses of marching men rushed to a European theatre" (H. V. Hodson (ed.), *The British Commonwealth and the Future*, London, 1939, p. 208).

<sup>2</sup> Notice the use of the British Prime Minister's phrase.

Thorson in support of his bill for that purpose.<sup>1</sup> Those who favoured such a course secured a little sympathy, but less than any other group. To the Socialist came the promise of control of profits and profiteering. And yet, despite the cleverness of the speech and the powerful analysis of existing problems, the honours of the debate went by general consent to the Hon. Ernest Lapointe.

In a fifty-minute speech the Minister of Justice expounded clearly the conflicting views of constitutional pundits upon the divisibility of the Crown in the British Commonwealth, and the feasibility of a Dominion remaining neutral in a war in which other members of the Commonwealth participated. More important than legal subtleties was his reminder to all Canadians, and to those of Quebec in particular, of what the claim to exercise neutrality would entail—from the ban on Canadians enlisting in the British army and the closing of traditional naval bases like Halifax and Esquimalt (in which the British Admiralty still held contractual rights) to the internment of British seamen who might seek shelter in Canadian ports. “In the light of those facts”, said M. Lapointe, “I ask anyone of my fellow countrymen whether they believe seriously that this could be done without a civil war in Canada.” Referring to the rumoured remark of Herr Hitler that the British Empire was very likely to break up in a European war, the speaker said forcibly: “if any dictator in the world has made up his mind that the British commonwealth is going to be disrupted he is basing his future projects on utter fallacy.” In referring to the Prime Minister’s statement of the effect upon Canada of a bombardment of London, he agreed that it was certain to create a wave of public opinion that would force any government to intervene, and said to his Quebec colleagues: “What is the use of closing

<sup>1</sup> Mr. Thorson repeatedly stressed the difference between the right to neutrality and the exercise of that right (*Commons Debates*, 1938, vol. III, p. 2488). His bill, which was talked out, was supported in a statement signed by sixty representative Canadians.

our eyes to stern realities? I am willing to go to every town in my own province and ask if there is one of my fellow countrymen who would deny the soundness of this conclusion." Then, having explained the feelings of English Canada to Quebec, M. Lapointe asked the rest of Canada to pay some heed to the feelings of the French Canadians of whom, as he vividly put it, "None of them would say that he is 'going home' when he leaves Canada." Like Burke he pleaded for magnanimity in politics and reminded his listeners that a great nation and little minds go ill together. Like the Prime Minister he ruled out conscription, which he had regarded in 1917 as a blunder of frightful magnitude from which Canada was still reaping sad and sorry results. Even if it were the efficient method of raising an army, "The best way, the most effective way of helping is not the way that would divide our country and tear it asunder". The Minister of Justice pledged himself never to be a member of a government that would enact conscription, and always to oppose a government that would enforce it.

Whether it was the imminence of danger or the gradual clarification of opinion during the three years of debate on these great issues of war and peace, the House of Commons displayed, with minor reservations, a heartening unity of feeling, that paved the way for the great decision of September. As Mr. T. C. Douglas (C. C. F., Weyburn, Sask.) observed, "The similarity of opinion on some of the fundamental issues has been a revelation to most of us". Three main conclusions emerged. The first was that Canadians should have the right to decide the part that Canada would play in any war in which Great Britain was involved. On that question Dr. Manion was as emphatic as any nationalist. "So far as I am concerned", he said, "I demand for us in Canada the same right to form and express opinions as is possessed by the citizens of the British Isles. I refuse to subscribe to any doctrine of inferiority which would cast us in the role of pawns on the international chessboard." The second conclusion was that Canada's contribution in war would be economic and her military contribution relatively small.

This arose from the doubts that overseas forces would be required, and from the general realization of the greater industrial maturity of Canada and her consequent greater importance as an arsenal, mine, and factory. The third prevailing opinion was the opposition to conscription voiced by leaders of all four parties, as dangerous in creating disunity, dubious in value, as Mr. Manion argued from the experience of the last war, and unnecessary. From one of the veteran Conservatives, the Hon. C. H. Cahan, came a moving speech, re-echoed by another veteran Montreal Conservative, Mr. R. S. White, arguing that if Quebec were treated courteously and reasonably she would play her full part in any war effort. There were some, including Mr. Woodsworth, who doubted if conscription could be avoided as war developed and gaps appeared in the ranks of the overseas forces, and who, like M. Lacombe, argued that "Once the principle of participation is established military conscription is bound to result therefrom". But they were a tiny minority.

The staunch six French Canadians who had in the past opposed the increased defence estimates, MM. Lacombe, Lacroix, Lalonde, A. J. Lapointe, Raymond, and Tremblay, continued to advocate non-participation in a European war and to view with horror any repetition of the experience of 1914-18. Their reply to those who claimed that Canada was indebted to Europe for her heritage of freedom and culture was that "If we are asked to show receipts we can point to the 60,000 Canadian soldiers who are sleeping their last sleep overseas".<sup>1</sup> From the Conservative ranks came the complaints of Mr. T. L. Church (Toronto-Broadview), who disliked what he called the government's "provocative silence", and the appeal of Mr. Howard Green (Vancouver South) for more vigour and initiative in striving to secure a defensive alliance in the Pacific with New Zealand and Australia to which the United States might be induced to accede.<sup>2</sup> Among

<sup>1</sup> M. A. J. Lapointe. For a more pessimistic view of French-Canadian feeling in Parliament and elsewhere, see "Canada and the War Danger" (*Round Table*, vol. XXIX, June 1939, pp. 570-83).

<sup>2</sup> See his argument (*Commons Debates*, vol. III, p. 2555).

the C. C. F. members the chief note of dissent was struck in analysing the errors of omission and commission of the Chamberlain administration in the United Kingdom. Mr. Coldwell (Rosetown-Biggar, Sask.), argued that "it is futile, it seems to me, even to hope that a war conducted by the gentlemen who control British and French policy to-day will serve the cause of the common people". Mr. MacNeil (Vancouver North, B.C.) said that it was not consistent with his conception of democracy to sign a blank cheque for Downing Street and later to fill it in with Canadian lives. Mr. MacInnis (Vancouver East, B.C.) pleaded for a bold adherence to the doctrines of collective security, which the British government had evaded, and a further declaration that "we shall have nothing to do with the power politics which the present British government has forced upon Europe". But in general, the House had reluctantly come to the conclusion that Canada must be ready to play her part in the struggle if it should come, and was more concerned with securing the maximum of unity for that combat than with recalling the blunders of the past.

The growing unity of opinion which had been evident in the discussions of foreign policy appeared again when the Minister of National Defence presented his estimates in May. As Senator Duff (Liberal, N.S.) declared, in a speech which drew unwontedly warm praise from Senator Meighen, the opposition leader, "with regard to defence we have now what is virtually a united country. Only two years ago Canada was divided on the subject and a considerable body of opinion regarded as extravagance a defence expenditure of \$25,000,000. This divergence of opinion resulted, I think, from the pretty general feeling there would be no war. To-day . . . the threatening situation has, I feel, convinced 99 per cent. of our people that there is only one thing for Canada to do—look to our defences.<sup>1</sup> Mr. Mackenzie put it more graphically when he said that in two years Canada had changed from becoming defence conscious to becoming defence anxious. He was still mindful of the easily aroused suspicions of

<sup>1</sup> *Senate Debates*, 1939, p. 350.



Quebec, and took care to base the case for his estimates of \$64.5 million on the recent declarations on foreign policy of the Prime Minister and the Minister of Justice, and to re-assert that "all these estimates are designed for the defence of Canada and only for the defence of Canada".<sup>1</sup> In a lengthy speech he described exhaustively the progress made in the previous three years and the reasons for the increase of almost a hundred per cent. in the 1939 estimates.<sup>2</sup> The most significant change was the increase of the air estimates by \$18 million to a total of \$29.775 million ranking first in the appropriations. Almost one-third of this increase was required for a new air training scheme, to train, as agreed in 1938, both British and Canadian pilots.<sup>3</sup> The air force was to be strengthened by the purchase of 109 planes and by 14 officers and 217 men. Thus it more than trebled its personnel in three years. By previous purchases the air arm possessed 210 machines and, with the new orders—after allowance was made for outdated planes—it would have a fleet of 250. It was planned to expand the air force to 11 permanent squadrons (eight were constituted by August 1939) and 12 non-permanent.<sup>4</sup>

The greater anxiety about the Atlantic defences was reflected in the plans for completing or constructing air bases at Yarmouth, Dartmouth, Truro, and Sydney, and the substantial votes for coastal defences. The reasons given for developing in order of priority the air force over the navy and the navy over the militia were the greatly increased dangers from long-distance air attack and the decreased capacity of the British navy to offer the same guarantees of security which it had given in the past. In the minister's

<sup>1</sup> *Commons Debates*, 1939, vol. IV, p. 4148.

<sup>2</sup> His predecessor as Minister of Defence, Mr. Stirling (Yale, B.C.), who followed him in the debate, said: "It would almost seem like cruelty to animals to continue this debate before an exhausted house which for two hours and fifteen minutes has listened to one of the most comprehensive exhortations, shall I say, to have been delivered in this house for some time" (*ibid.*, vol. III, p. 3265).

<sup>3</sup> Here perhaps was the germ of the fuller Empire Air Training Scheme.

<sup>4</sup> One of the non-permanent squadrons was to be the first to go overseas.

own words, "after a century with immunity of attack Canada is today again vulnerable to enemy hostilities and has to cope with a real problem of national defence, just as she did in the early centuries of her history". The air force was required to patrol, in conjunction with the navy, all possible lines of approach, to help to defend the coasts against raids by submarines or aircraft, and to prevent the utilization of territorial waters as a base for attacks against any other friendly or allied nation. The navy was to be strengthened for this purpose by a flotilla leader<sup>1</sup> and by 21 officers and 363 men. Provision was also made for an expansion of the volunteer reserves, in connection with which Mr. Mackenzie announced an interesting and successful experiment in creating a fishermen's reserve of 200 men on the Pacific coast. This had proved to be very satisfactory and was to be introduced also on the Atlantic seaboard. The militia received virtually no increase in man power, and the additional \$4 million of its estimates of \$20.775 million was to go for supplies and equipment.<sup>2</sup> The minister was able to report that the delays in securing supplies on order in England were being reduced, and that anti-aircraft guns and coastal guns were gradually being received.<sup>3</sup>

<sup>1</sup> It arrived from England in October 1939, and was named H.M.C.S. *Assiniboine*.

<sup>2</sup> In describing the functions of the militia in the defence scheme, Mr. Mackenzie placed seventh and last in enumeration, and in the vaguest language, the possibility of its supplying an expeditionary force in the event of war. It was cloaked under the description: "Should the eventualities of intensive conflict necessitate it, for the fundamental protection of Canadian institutions and Canadian ideals" (*Commons Debates*, 1939, vol. III, p. 3263).

<sup>3</sup> In the Senate, the leading military critic, General Griesbach, was less satisfied, and spoke of the "distinct degree of apprehension, if not dissatisfaction, with regard to the progress being made in rearmament" which he detected among his military friends. The General continued: "there are no armoured fighting vehicles, anti-aircraft defences or gas defences. There is no increase in machine guns, light or heavy, nor in artillery. There are no tractors for artillery, which is still horse-drawn" (*Senate Debates*, 1939, p. 167). General Griesbach, later in the session, again attacked the Alaska highway project as a dangerous commitment, and was answered by Senator Farris (Liberal, B.C.).

While the minister, who had just emerged from a bitter struggle over the Bren gun contract, certainly painted a brighter picture than a professional expert would have done, he had reasonable ground for self-congratulation. Professor C. P. Stacey of Princeton University, almost the only Canadian historian who has specialized in military history, passed the following verdict after the outbreak of war.

In September 1939, Canada was by no means adequately prepared for war; for full preparedness could have been purchased only by the expenditure of much larger sums of money than her Parliament would have sanctioned. Nevertheless, the future historian will certainly record that, thanks to the various measures taken during the preceding three years, she was much better prepared than in 1914. The writer had occasion to watch those measures fairly closely as they developed. Generally speaking, they were more effective than the Canadian public sometimes seemed willing to believe. The beginnings made under the Dominion's modest peace-time rearmament plan have served since the outbreak of war as effective foundations for a great edifice of national effort.<sup>1</sup>

French-Canadian isolationist opinion found its usual spokesmen, MM. Lacombe, Lacroix, Crête, Gariépy, Gauthier, and Raymond, to voice their protests against the estimates,<sup>2</sup> but they were handicapped in argument by the unanimity with which the House had previously agreed in ruling out conscription if war came, and by the difficulty of arguing, as on previous occasions, that the international situation was not sufficiently serious to justify such large expenditures. It was noticeable that no French-Canadian Cabinet Minister thought it necessary to take part in the debate, and that two private members from Quebec, MM. Francœur (Lotbinière) and Roberge (Mégantic-Frontenac), supported the estimates

<sup>1</sup> C. P. Stacey, *Canada and the Second World War* (Oxford Pamphlets on World Affairs, C.5, Toronto, 1940, p. 12). See also Lieutenant-Colonel Harwood Steel, "Canada's Paper Defences Slowly Turning to Steel (*Saturday Night*, June 3, 1939).

<sup>2</sup> In the Senate two Conservative Senators, MM. Paquet and Sauvé, took a similar attitude.

and advised their fellows to have faith in the assurances of the Prime Minister and M. Lapointe.<sup>1</sup> The C. C. F. took almost no part in the debate. Its chief military critic, Mr. Grant MacNeil (Vancouver North, B.C.), concentrated upon urging that all defence measures should be strictly for the direct defence of Canadian shores,<sup>2</sup> and that there should be no unwise diffusion of effort. He felt that to do that competently would be taxing Canadian resources to the limit. Mr. MacNeil suspected, from the nature of some of the supplies listed in the estimates, such as light machine guns, howitzers, and tanks, that the Canadian General Staff had based its strategy upon sending a force abroad, and was consequently attempting to develop two schemes at once, one for an army of manoeuvre such as would be required overseas, and the other for a purely coastal defence force. As a result of this diffusion of energy the member from Vancouver North believed that Canadian coastal defence had not received the attention it merited to make it effective against the dangers of raids by armed merchantmen or cruisers able to release a few planes. Repeatedly Mr. MacNeil reverted to the unwisdom of an expeditionary force and foreshadowed in his speeches the attitude which his party was to take when war came. As in past years he also urged the amendment of the Militia Act which made possible, without reference to Parliament, the despatch of voluntarily enlisted men for service overseas.<sup>3</sup>

In contrast, the remaining speeches from Conservatives and Liberal members were more in the line of encouragement

<sup>1</sup> Writing in *The Spectator*, of June 2, 1939, on "Canada and War", Grant Dexter, an experienced Canadian journalist, asserted: "However strange it may seem, the consensus of opinion among those who know Quebec best is that Quebec is more favourable to participation today than in 1914."

<sup>2</sup> In direct contrast, General Griesbach argued in the Senate. "I find it difficult to plumb the mentality of the men who cannot understand that the place to defend Canada is as far from Canada as we can do it. . . . We cannot defend Canada, we cannot make war, upon a limited liability basis" (*Senate Debates*, 1939, p. 268).

<sup>3</sup> An article which obviously inspired Mr. MacNeil's argument, and to which he referred in appreciative terms, was that by A. R. M. Lower, "Canada in the New World Order" (*Canadian Forum*, vol. XIX, May 1939, pp. 44-6). See also the same author's "The Defence of the West Coast" (*Canadian Defence Quarterly*, vol. XVI, Oct. 1938, pp. 32-8).

and admonition to still greater effort. A Conservative member from Montreal, Mr. W. A. Walsh, would have preferred to have seen the estimates nearer to \$100 million. An Ontario Liberal, Mr. A. G. Slaght (Parry Sound), advocated the air force being doubled in size. Members from both the Pacific and Atlantic coasts clamoured for greater protection, four from British Columbia, Messrs. Green, Hanson, Neill, and MacNeil, drawing attention to the possible danger contained in Japanese penetration in mining and lumbering interests along the coast. They also objected to the sale of war materials to Japan.

The Conservative leader was worried about the possibility of air raids from ships which might enter Hudson Bay and urged that the scheme for training pilots be enlarged. He also proposed the creation of a special defence committee, drawn from both the Senate and House of Commons, which might review in greater detail and in greater privacy the plans and policies of the department. His suggestion was re-echoed by members from C. C. F. as well as Conservative constituencies, and agreed to in principle by the minister. One problem which disturbed several speakers was the difficulty of securing armaments from Great Britain when that country was so engrossed with its own needs. Opinion was divided between those who wished to see the government arsenals expanded and utilized to a greater extent, and those who felt that a private armaments industry was a more efficient source of supply.<sup>1</sup> No reader of these discussions can escape the impression that the members were sincerely anxious to offer advice and helpful criticism and not to score debating points for political purposes.

For a month in the early summer of 1939 the Canadian people forgot Europe's troubled scene. They were greeting their King and Queen in a demonstration of pride and affection unequalled in the history of the Dominion, and a constant

<sup>1</sup> See the speeches in the Commons of Mr. Denton Massey, and of General Griesbach and Senator Meighen in the upper House. At the annual dinner of the Canadian Manufacturers' Association on June 21, Mr. Mackenzie said that the construction of government arsenals for producing defence equipment had been found uneconomic.

source of amazement to veteran correspondents who travelled with the royal party.<sup>1</sup> It seems certain that the British and Canadian authorities who co-operated in planning the trip across Canada hoped that it would further Canadian unity, and would make more real the bonds of allegiance and common ideals which bound Canada to the British Commonwealth.<sup>2</sup>

From the time they stepped ashore at Quebec on May 17 until their departure from Halifax on June 15 the King and Queen were greeted by a people curious to see them, eager to demonstrate their sense of kinship, and loath to say farewell. At the first official luncheon Prime Minister King told the royal guests proudly: "We would have Your Majesties feel that in coming from the old land to the new you have but left one home to come to another; that we are all of one household. Free institutions and democratic ideals are as dear to the hearts of your people in Canada as to the people in any other part of the Empire. We regard their preservation as the common concern of all." As the King and Queen sailed out of Halifax harbour massed choirs stationed at the outermost point fervently sang "Will Ye No Come Back Again", and thousands listening by radio joined in their sentiment. At the unveiling of the Canadian War Memorial in Ottawa, as the King and Queen defied all custom to move unguarded among the surging crowd of ex-service men, the bemedalled veteran

<sup>1</sup> See the despatches of Mr. Raymond Daniel to the *New York Times*, on May 20, and of the late Mr. Webb Miller to the *British United Press*, on June 6.

<sup>2</sup> See R. G. Trotter, "Canada's New National Outlook" (*Events*, Feb. 1939, p. 108). Writing of the tour from Ottawa on May 13, the *New York Times* correspondent, Mr. John MacCormac, commented: "Perhaps the average onlooker will be satisfied to take it at its face value. But politicians in Ottawa as in London know that its true significance is an experiment in imperial statesmanship. They realize that the King and Queen are coming not merely to recognize the loyalty of their Canadian subjects but to stimulate it; not only to inspect this outlying bastion of empire but to re-integrate it." In Montreal the leading organ of nationalist opinion, *Le Devoir*, criticized the visit as an imperial manoeuvre. When the King and Queen returned to England, Prime Minister Chamberlain spoke of the appreciation by Their Majesties of "the invaluable contribution that they have thus been able to make to the uniting of the British Empire and the friendship between the British and American peoples".

who shouted, "You don't need bullet-proof vests here", spoke for a nation. To the unceasing tide of affection and applause that sped them across Canada and back the King and Queen responded in gestures of unconcealed pleasure and happiness. The admirably phrased official speeches in Quebec, Ottawa, Winnipeg, and Victoria voiced tactful reminders to a puzzled people in a gloomy world. Thus at Quebec King George said in French: "The harmonious accord of all the different elements which constitute Canada was the ideal conception of the fathers of your Confederation. It has remained forever present in the mind and before the eyes of those who followed and of all you gentlemen. I therefore could not desire for you who hear me better fortune than the increasingly fruitful accomplishment of that noble vision."

In Winnipeg, during an Empire broadcast, the King told his unseen audience: "The sense of race may be a dangerous and disruptive force, but the English and French have shown in Canada that they can keep the pride and distinctive culture which it inspires while yet combining to establish a broader sense of freedom and security than either could have achieved alone." At Ottawa, in paying tribute to the dead of the World War, His Majesty boldly referred to the wider world. "This memorial . . . does more than commemorate a great event in the past. It has a message for all generations and for all countries—the message which called forth Canada's response. Not by chance do the crowning figures of peace and freedom appear side by side. Peace and freedom cannot long be separated. It is well that we have, in one of the world's capitals, a visible reminder of so great a truth. Without freedom there can be no enduring peace, and without peace no enduring freedom." Those words were not forgotten three months later.

Before the King and Queen crossed the border for their visit to Washington and New York, His Majesty had already formally received the new American Minister to Canada, and had, in his historic visit to the Canadian Parliament, signed the latest trade agreement between Canada and the United States. He had already been welcomed by thousands of Americans who had crossed into Canada during the Royal

Tour. On his American journey the minister in attendance was not a Cabinet Minister of the United Kingdom but the Canadian Prime Minister, a constitutional innovation insisted upon by the Canadian government and appreciated by the American. In the United States, as in Canada, the personal appearance of the King and Queen (as everyone described them) was an exciting and welcome event. All observers agreed that the psychological effect of the visit was excellent. As the American correspondent of the *Round Table* wrote later: "The fact is simply this: the King and Queen were so very human and gracious and thoughtful, so altogether faithful and appealing in their impersonation of the British nation, that the people said: 'The good old British! They're not down yet. Yes, sir, they've got a lot of good qualities. You can depend on them. They're still pretty solid.'"<sup>1</sup>

And so Their Majesties could return to London with the happy consciousness of a difficult task well accomplished. In a speech at the Guildhall, the King expressed the belief, which his Canadian subjects shared, that the fullness of the Canadian welcome was not only a personal greeting but "an expression of their thankfulness for those rights of free citizenship which are the heritage of every member of our great Commonwealth of Nations".

In the two months from the departure of the King and Queen until the decision of Herr Hitler to throw the iron dice of war, Canadian utterances on foreign policy were a curious blend of pessimism, caution, and idealism. At the third biennial unofficial Conference on Canadian-American Affairs,<sup>2</sup> held at St. Lawrence University, Canton, N.Y., Dr. J. T. Shotwell told the delegates at the opening session that disorder and anarchy had triumphed in a fashion thought impossible when the first conference had met in 1935. "We are", he said, "on the road to the Dark Ages, to an age of anarchy in which

<sup>1</sup> "America and the World Crisis: IV. The Royal Visit" (*Round Table*, vol. XXIX, Sept. 1939, pp. 756-7).

<sup>2</sup> See "Conferences on Canadian-American Affairs" (*Round Table*, vol. XXIX, Sept. 1939, pp. 835-9); *Proceedings, Conference on Canadian-American Affairs, 1939* (Montreal, 1939).



nationalism challenges the very basis of law and order and the good faith of nations." In keeping with this alarming condition the problem of defence appeared for the first time on the agenda and problems of foreign policy provoked the liveliest controversies. Of the Canadians who actually participated in the discussions the majority were from the universities. They displayed a chastening realism about the rôle of Canada in foreign policy, accompanied either by resignation or resentment.<sup>1</sup> Professor A. R. M. Lower of Manitoba described Canada's position in international affairs as that of a woman. "‘Whither thou goest’, she says to her father, John Bull, ‘I will go’. Like other women, she will pay. She is not even an American woman, for she is not spoiled; she holds her tongue and prepares to do her duty as it is pointed out to her. Her menfolk make her decisions for her—at present it is her father who does, but that other male, her neighbour, Uncle Sam, is increasingly important." So convinced was Mr. Lower that the Canadian government would accept any policy which Britain cared to follow that he was prepared to support the creation of an Empire Council on foreign affairs which would attempt to work out a common policy and assign to each unit appropriate action in the hope that it would give Canadian public men the experience and responsibility they sadly lacked. Then, he thought, the present colonial attitude would quickly disappear. In a later burst of self-depreciation, Mr. Lower said Canadians ought to be very gratified at being at the present conference. "Our proper place is in the ante-chamber waiting for the decisions you make." No one questioned this diagnosis of the subordinate position of Canada<sup>2</sup> although the cure was less popular. Professor Scott

<sup>1</sup> See the comment of R. G. Trotter: "We Canadians are having considerable difficulty these days in adjusting ourselves to the implications of the fact that Canada is a small power" (*Proceedings, Conference on Canadian-American Affairs, 1939*).

<sup>2</sup> See the remark of Sir Robert Falconer, "At present and, as far as I can see, for a long time to come, the foreign policy of Great Britain will virtually be the foreign policy of Canada", and that of Professor Corbett, "for the purposes of foreign policy at the present time, it is entirely fallacious to talk of any possibility of choice on the part of Canada" (*ibid.*).

agreed that Canada was still a colony going through the final struggle to achieve self-government by trying to secure the right to its foreign policy. This struggle had not yet been successful because of "our own psychological reactions and colonial mentality". As he said bitterly, "Canadians wake up in the morning and discover from their morning papers that they have given a guarantee to Czechoslovakia: later they discover they are not expected to fulfil that guarantee, though Czechoslovakia has been invaded by Germany. We learned more recently that we have guaranteed the frontiers of Poland. We are expecting soon to be advised that we are allied with Russia. . . . In a crisis . . . we never know what our foreign policy is, because it is decided in London." The speaker also argued that there were practically no isolationists in Canada, but "merely different kinds of interventionists". He himself would be an interventionist in the Pan-American Union,<sup>1</sup> but not in the expected European war in which he did not see the real interests of Canada concerned. The two French-Canadian speakers would have accepted the label of isolationist as correct for their compatriots, but one of them (M. Jean-Charles Harvey) admitted that "most French Canadians believe that Canada, in its present position, cannot avoid participation in the next war". As was inevitable, more than one Canadian offered a challenge<sup>2</sup> to the United States, the product of hope rather than faith, that it should live up to its unavoidable rôle as a great power, and assume a position of leadership in the struggle against aggressors. Even this well-meant, if embarrassing, gesture was disliked by other Canadians, and one economist observed impatiently: "We in Canada have a habit of throwing out challenges to the United States. . . . We should recognize that Canadians have carried out a policy of stirring up trouble over a long period, that we have a habit of continually worrying about the problems of other countries

<sup>1</sup> Excepting Messrs. Corbett and Scott, the Canadians present who expressed an opinion were lukewarm or dubious about membership in the Pan-American Union.

<sup>2</sup> See the remarks of Sir Robert Falconer, Mr. Lower, and Principal R. C. Wallace (*Proceedings, Conference on Canadian-American Affairs, 1939*).

in order to keep from worrying about our own, that we are a country of large-headed men who have always thought in terms of very large schemes. We are almost a menace in the discussion of international affairs." On problems of defence the going was easier, as the Americans never questioned the Rooseveltian promise of assistance to Canada from the United States, while the first Canadian speaker on this subject, Professor C. P. Stacey, fittingly contrasted present Canadian defence policy with that of earlier days when he said:

During the nineteenth century Canada fortified her frontier and trained her men through fear of the United States. Today she is arming in the interest of her new happy relationship of friendship with the United States. . . . The United States, in the present circumstances, can scarcely claim that Canada is not alive to her share of responsibility for North American defence. From this point of view, then, the Dominion's recent military expenditures, like those of the past century, which were conceived in such a vastly different spirit, are the price of national identity and national dignity.<sup>1</sup>

In July at the fourth Canadian Youth Congress in Winnipeg, attended by three hundred delegates, the tone was more idealistic. The report of the commission on external policy adopted by the conference condemned the policy of appeasement as practised by the British government and unanimously recommended an independent foreign policy for Canada with a parallel clarification of Canada's constitutional status. The great majority of the commission was in favour of Canada's participation in some form of collective action, and in favour of conscription in the event of Canada entering a war for such principles. To conscription the French-Canadian delegates were opposed, except for defence against a direct attack on Canadian territory. The "vast majority" held that conscription of wealth in war time should precede conscription of man power. While favouring conscription under the circumstances described, the congress opposed the repeal of

<sup>1</sup> Both Professors Stacey and Martin were opposed to the construction of the Alaska highway on the ground that it rendered Canadian neutrality impossible in any American war in the Pacific.

such existing legislation as permitted conscription "without the democratic consideration of our Parliament under present conditions". \*

Another idealistic note was struck on the twenty-fifth anniversary of the outbreak of the World War when the League of Nations Society in Canada issued a series of messages from prominent figures, including Senators Meighen, Hugessen, Wilson, and Buchanan. Their general tenor was a plea for the return to the principles of collective action, a criticism of the Canadian policy of no commitments in the League in bygone years, and a warning that isolation was impossible.<sup>1</sup>

From the Prime Minister came the characteristic note of caution. He was the guest of honour at a banquet in Toronto on August 8 to celebrate his twenty years' leadership of the Liberal party. In a speech largely devoted to an analysis of Liberal principles and policies Mr. King warned that no man could be too careful of what he said in the present troubled state of world affairs. In alluding to appeals made to him at various times to state precisely the government's policy in European affairs he declared: "One thing I will not do and cannot be persuaded to do is to say what Canada will do in regard to a situation that may arise at some future time and under circumstances of which we now know nothing." Later he added that the only way to overcome force is by force, and that Canada must be prepared to do all in her power to resist any force that might come against it. The nearest approach to a hint of policy came when the Prime Minister reminded his audience that Liberalism was still dedicated to the cause of freedom, and said that "If we are true to our cause we must not only seek to defend freedom here, but be prepared to do it in the interests of mankind wherever the need arises".

While the Liberal leader was expounding Liberal principles in Toronto, the German Führer was interviewing at Berchtesgaden the Nazi leader of the Free City of Danzig. Two days later Herr Forster told his fellow-citizens that the hour of liberation was coming for the return of Danzig to the German

<sup>1</sup> *Twenty-Five Years Afterwards* (League of Nations Society in Canada).

Reich. On August 16 the German government sent a note to Poland which implied the transfer not only of Danzig but of the Polish Corridor to the Third Reich. Then came the diplomatic bombshell of the year, the announcement on August 21 that the German Foreign Minister was leaving for Moscow to sign a new non-aggression pact with the U.S.S.R. This decision, which was expected at most to immobilize Britain and France, or at least to give Germany a much simpler task in Eastern Europe than she had had in 1914, provoked from Britain the prompt warning that "Whatever the nature of the German-Soviet agreement, it cannot alter Great Britain's obligation to Poland which H. M. Government have stated in public repeatedly and plainly, and which they are determined to fulfil". From that moment, unless Hitler could be induced to return to the path of conciliation and moderation, a path which he was not disposed to tread, war was inevitable. The Canadian government had to decide whether it should regard the German action in invading Poland, and thereby indirectly involving Britain in war through the Anglo-Polish treaty, as the sort of major danger to Britain which Mr. King had described in March. The decision, though painful, was not difficult to make.

When the news of the German-Soviet Non-Aggression Pact reached Ottawa, Mr. Mackenzie King declared on August 22 that "The whole British world would face these difficulties with calm, increased by a determination to maintain complete unity". As soon as he learned that the British Parliament was summoned to meet on August 24 he telephoned the leaders of the three opposition parties and informed them of the seriousness of the situation. From them Mr. King received, as he later told the House of Commons, "a very sincere expression of appreciation of the government's position, and of their desire and the desire of their parties to see that, when parliament assembled, what in their minds would be most effective as a national effort should be undertaken". The Prime Minister also issued his first press statement, in which he significantly reminded the country that the War Measures Act of 1914 had never been repealed and could be applied to a

war "real or apprehended". At the same time the promise was made that Parliament would be summoned as soon as it became apparent that all efforts for peace had failed. Meanwhile the Department of National Defence had already ordered two of the four destroyers on the Pacific coast to leave at once for the Canadian Atlantic seaboard, which they reached in only fourteen days. All leaves had been cancelled for the permanent forces and plans were complete for a mobilization scheme.

Two days later, on August 25, Mr. King combined a gesture of mediation with a measure of preparation. Just as President Roosevelt had done, he addressed appeals to the President of Poland and the German Führer, saying that the people of Canada were of one mind in believing that there was no international problem which could not be settled by conference and negotiation and were prepared to join with the other nations of the British Commonwealth of Nations in seeking a just and equitable settlement of the great problems which the nations faced. The Canadian Prime Minister associated his country with the other powers who had attempted mediation "in the firm hope that your great power and authority will be used to prevent impending catastrophe by having recourse to every possible means to effect a solution of the momentous issues of this period of transition and change in world affairs". A third telegram was sent to Signor Mussolini, urging him to use his great power and influence to assure a peaceful settlement. The Polish President expressed his country's appreciation of the Canadian cable, and its confidence that "the Canadian government has no doubts as to the fact that it is not the Government of Poland who makes the aggressive demands and provokes the international crises". The Italian government assured Canada that it would leave no effort untried to safeguard the peace of the world. From Germany came no answer except an acknowledgment of the appeal. So ended the first and only effort by a Canadian government at mediation in Europe. While these cables were being sent, the government mobilized about ten thousand of the non-permanent militia to aid the permanent forces in guarding

the coasts and strategic points against sabotage or attack. Air force squadrons at Calgary, Trenton, and Ottawa were ordered to proceed to air bases on the Nova-Scotian coast. For the second time a press release reiterated the promise to summon Parliament as soon as all peace efforts had failed, but it also included the announcement that the government had been proceeding with complete unanimity in outlining the course of action which it would place before Parliament. In his speech to the House of Commons on September 8 the Prime Minister argued that by this statement "we were giving full notice to the world at that time as to just where we believed this parliament would stand". It is doubtful if the world understood it with the same clarity as its author.<sup>1</sup>

On September 1, the day that Germany invaded Poland, both the Prime Minister and the leader of the Conservative party issued statements. The Prime Minister announced that Parliament would meet on September 7, and that, if the government of the United Kingdom became involved in war in an effort to resist aggression, the Canadian government would seek authority from Parliament for effective co-operation by Canada at the side of Britain. Mr. King said that he was sure that this policy was what the Canadian people had been waiting to hear, and that Great Britain would like to know it, and the rest of the world also. Dr. Manion pleaded for full co-operation with Britain and France and rejected the idea of Canadian neutrality in a war of life and death for Britain. The government proclaimed the War Measures Act,<sup>2</sup> established a radio censorship, placed the militia already mobilized and a considerable number of additional forces on a war footing, with authority to recruit to war strength. The units mobilized were

<sup>1</sup> In the Senate on September 9 Senator Meighen revealed that he had vainly urged the government to speak out boldly several days before Poland was invaded.

<sup>2</sup> It was made retroactive to August 25 to cover two orders in council abrogating the 5 per cent. limitation on profits applicable to certain contracts for war orders, and placing the control of shipping on the Canadian registry under the Department of Defence. When Parliament met, 46 orders in council were tabled.

formally christened the Canadian Active Service Force. The navy and air force were likewise placed on a war footing, with the result that the destroyers on the eastern coast were ready for duty when the need of guarding Atlantic convoys arose early in September.<sup>1</sup>

On the day that Britain declared war on Germany the Prime Minister, M. Lapointe, and the Minister of Labour joined in a national broadcast in which Mr. King referred to the appeal from King George to all his peoples to make the cause of freedom their own. In comment the Prime Minister said "Canada has already answered that call". He assured his listeners that consultations would continue with the British government, that all plans were prepared for presentation to Parliament to secure the most effective measures for co-operation and defence, and that measures would be taken to prevent profiteering. For that purpose a Wartime Prices and Trade Board was immediately constituted. The Defence of Canada Regulations were also proclaimed law. These were designed to deal drastically with disaffection and measures prejudicial to recruiting or interfering with the success of His Majesty's forces.<sup>2</sup>

For the next week the Canadian position in international law was an anomalous one. Raids were made in several Canadian cities on over a score of Nazi centres, and seventy Germans were arrested as enemy nationals, while the German Consul protested that Canada had not declared war upon Germany. Trading with the enemy was prohibited by a decree of September 5. When Parliament assembled the speech from the throne requested the House of Commons "to consider estimates to provide for expenditure which has been or may be caused by the state of war which now exists". But no declaration of war had been made by the government. As a consequence, the United States' proclamation of neutrality, which was issued on September 5, listed as belligerents in the British Commonwealth only the United Kingdom, India,

<sup>1</sup> See C. P. Stacey, *Canada and the Second World War*, p. 20.

<sup>2</sup> See R. S. Lambert, "This Freedom" (*Food for Thought*, Canadian Association for Adult Education, Toronto, no. 1, Jan. 1940).



Australia, and New Zealand. The two latter states had formally declared a state of war. From one point of view the absence of a declaration of war by Canada was advantageous, since it assisted Canada in purchasing aeroplanes and other equipment from the United States.<sup>1</sup> On the other hand, it placed the nation in what appeared to be a hypocritical position in the eyes of some. As the *Toronto Globe and Mail* said editorially on September 8: "We would lose the respect of President Roosevelt and the American people . . . , and deliberately forfeit our own self-respect, were we to resort deliberately to subterfuge to get supplies." The obscurity of the situation, even after Parliament met, was rumoured to have caused a threat of open censure from Conservative leaders, such as Senator Meighen. The result was the announcement on Saturday, September 9, that approval of the speech from the throne would be regarded as approving immediate participation in the war, and would be followed by a formal declaration of war.<sup>2</sup>

The parliamentary session of September was a brief and remarkable one.<sup>3</sup> The members arrived in Ottawa fully alive to the gravity of the situation and with an excellent opportunity of gauging opinion. Only three of them had been in Parliament when war was declared in 1914, Messrs. Lapointe, Cardin, and Stevens, but a large number, including four Cabinet Ministers, had had personal experience of what war meant. It was in keeping with this that the mover and seconder of the reply to the Governor-General's speech were members who had seen active service, Colonel H. S. Hamilton (Algoma West, Ont.), with the Canadian forces, and M. J. A. Blanchette (Compton, Que.), with the American army.

<sup>1</sup> See C. P. Stacey, *Canada and the Second World War*, p. 15.

<sup>2</sup> See the despatch from Ottawa to the *New York Times* by John MacCormac, on September 9, in which he said that the Social Credit party asked in writing if the Prime Minister would tell Parliament, in secret session if necessary, if the British Prime Minister approved of the policy of no declaration of war. This was hinted at in Mr. A. H. Mitchell's statement (*Commons Debates*, Sept. 9, 1939, p. 60). See also Edgar P. Dean, "Canada at War" (*Foreign Affairs*, vol. XVIII, Jan. 1940, p. 297).

<sup>3</sup> See *Commons Debates*, 1939, Sept. 8-13, p. 216.

Colonel Hamilton, in a thoughtful speech, struck the keynote when he said, "Canada is not concerned today how we speak, but Canada is interested in what we say". For him the issue was simple. It was Canada's war. "To me", he said, "the defeat of Britain is the defeat of Canada; the defeat of France is the defeat of Canada. To me the death of every British, French or Polish soldier, sailor or aviator in resisting German force and violence at this moment is a life given in the service of Canada." His plea was for an equality of sacrifice, physical, financial, and economic in order to maintain the essential confidence and faith, and to make it possible for all the people of Canada to march step by step in the spirit of great national endeavour. M. Blanchette thanked the Prime Minister for fulfilling his promise to consult Parliament before engaging in any military conflict and, more guardedly than the mover of the address, spoke the mind of Quebec in favouring "a reasonable and moderate co-operation consistent with our interests and resources". M. Blanchette expressed the strongest opposition to conscription, which he believed to be inconsistent with the Canadian mentality.

Possibly M. Blanchette was not unmindful of the petition promptly presented to the House at the opening session by M. Maxime Raymond, which was signed by thousands of citizens in Quebec who were opposed to participation in an extra-territorial war.<sup>1</sup> Dr. Manion, who was the next to speak, disclaimed anything in the way of political manœuvring or captious criticism, and pledged his party's support to the Prime Minister in letting the world know that Canada stood unitedly behind the mother country in a war for human liberty. While bitterly attacking Hitler and the Nazi philosophy he disclaimed any quarrel with the German people. The Conservative leader believed that Canada was already at war,<sup>2</sup> and urged the Prime Minister to state Canada's position clearly and definitely.

<sup>1</sup> Subsequently the petition was ruled out of order because of its incorrect wording.

<sup>2</sup> In the upper House Senator Meighen declared: "We cannot be at peace when the heart of the Empire is at war."

The Prime Minister was a tired man when he rose to address the House, and spoke more lengthily (for two and three-quarter hours) and less clearly than many would have wished. But, despite fatigue, the speech revealed his earnest desire for a united effort in a worthy cause. As always Mr. King gave a detailed outline of the events that produced the crisis, and a documented description of the various steps taken by the administration before meeting Parliament. Like the leader of the opposition he urged that every effort be made to preserve toleration of opinion and moderation of statement, and expressed a pity for the German people both in this country and the Old World. In outlining the measures which Canada must undertake in the war, Mr. King reminded the House that it was impossible to assume that the methods and objectives of 1914 were applicable to 1939. He outlined the existing programme as the defence of Canada, the protection of Newfoundland, Labrador, and the French islands in the gulf, which would release British forces for duty elsewhere, and the furnishing of supplies of all kinds from foodstuffs and raw materials to munitions and manufactures. For action in other theatres of war the government had to wait upon certain essential information that was still unavailable. On the question of an expeditionary force the Prime Minister referred to the statement of the Australian Minister of External Affairs that the government had not yet seriously considered sending such a force, and that when it had discharged its first duty to the Empire of ensuring its own safety, and was better able to assess the conflict, it would evolve further proposals for submission to the Australian people. "That statement", said Mr. King, "indicates the Australian government are making the same general approach to the consideration of this problem as the government of Canada."<sup>1</sup> He did promise a rapid expansion of air training facilities, as requested by the British government, and the despatch of trained air personnel. As in

<sup>1</sup> On September 20 the government announced its decision to send a force overseas. In the Senate, General Griesbach argued that Australia's case was not parallel with Canada's because of its possible danger of attack from Japan.

March, the Prime Minister pledged his government not to introduce conscription for overseas service. He was able to read assurances of full support and co-operation from the premiers of eight of the nine Canadian provinces, M. Duplessis of Quebec being the exception; and to quote offers of assistance from an impressive list of national and local associations of all kinds. Mr. King concluded his address by reading in full the poem of James Russell Lowell entitled "The Present Crisis", which was written almost a century ago during the anti-slavery agitation in the United States. In its words the Canadian Prime Minister noted "the opposite of all I find in those I have read from the speech of Hitler". He hoped that Canadians would play their part in the spirit set forth in the poem's prophetic and soul-stirring words.<sup>1</sup>

The oratorical triumph of this great debate went to the Hon. Ernest Lapointe. His speech followed directly after that of M. Maxime Raymond (Beauharnois-Laprairie, Que.), the ablest speaker for the isolationist views of Quebec. M. Raymond criticized the claim that Britain and France were fighting for democratic principles when the Allies were only too willing to conclude an alliance with Soviet Russia, "the Russia of Stalin, where anarchy, disorder and barbarism have full sway". He argued that friendly feelings to Britain, France, and Poland were one thing, while the "realities of life were another". He believed that now was the time to put into practice the words of Lord Tweedsmuir, "A Canadian owes his first loyalty to Canada", and that it was the duty of Parliament to protect Canada against the consequences of participation in a European war. "Let us", said M. Raymond, "therefore declare neutrality. Our geographical position warrants it; our economic conditions make it imperative and our own interest makes it a duty." Such neutrality might be a friendly one

<sup>1</sup> A foreign observer, such as M. André Siegfried, would almost certainly comment on the significance of the Canadian Prime Minister selecting an American poem for the peroration of one of the most important speeches of his career. On another great occasion, the evening of March 26, 1940, when Mr. King thanked the people of Canada for their overwhelming support in the general election, he quoted as being most appropriate the words of Abraham Lincoln when he returned thanks for his re-election in 1864.

which would supply to Britain, France, and Poland the food-stuffs and basic materials essential to their needs. This challenge the Minister of Justice met boldly and unequivocally. While hating war with all his heart and conscience, he felt that Canada could do no other. He enumerated, as in his March speech, the difficulties of neutrality in a British war. He asked the House how Canadians in one section of the country could compel others to remain neutral in a war against their own King. He denied the possibility of what some Quebec newspapers had called "mitigated neutrality". For Canada to remain neutral would mean that she was in reality assisting Adolf Hitler. How could Canadians not be interested in a war in which Canadian lives had already been imperilled on board the liner *Athenia*, and in which Canada was the finest land that could become the prey of an enemy after the war? In a more direct manner than the Prime Minister, M. Lapointe referred to the possibility of an expeditionary force, and said that no Canadian government could refuse to do what the great majority of its people desired, and that he had no doubt that in case of need thousands of Canadians would wish to fight for Britain and France. M. Lapointe scornfully rejected the "shameless, dishonourable proposal" that those who wished to fight for England should be paid by England to do so or should make their own way overseas. Canadians would never be mercenary troops. "If Canadians go to the front line of the battle they will go voluntarily as Canadians, under the control of Canada, commanded by Canadians and maintained by the Dominion of Canada." The Minister of Justice pleaded that no section, race, or creed in Canada inflict upon other sections, races, or creeds incurable wounds that might destroy the country forever. He told Quebec members that for the sake of unity Canada could not be neutral. He warned those who urged such measures as the conscription of wealth, industry, and man power, as had been advocated by the Social Credit party,<sup>1</sup> that they too endangered Canadian unity. M. Lapointe agreed with his province in resolutely rejecting

<sup>1</sup> In his speech the Social Credit leader, Mr. J. H. Blackmore, had emphasized that the three must go together, each as necessary to the other two, "as is the third leg of a three-legged stool".

conscription, and was authorized by all his colleagues in the Cabinet from Quebec to declare that they would never be members or supporters of any government which forced it. If they resigned on such an issue he doubted that any others from Quebec would be able to take their place. But, if these limitations on military effort were respected, the members from Quebec were willing to offer their effort in the common cause without stint or limit. In a peroration that the Ottawa correspondent of the *Manchester Guardian* said "evoked the most extraordinary demonstration of enthusiasm ever witnessed in the Canadian Parliament",<sup>1</sup> M. Lapointe quoted the farewell words of Queen Elizabeth as she left Canada, "Que Dieu bénisse le Canada", which, he said, "went to the heart of every man, woman and child in my province". He continued: "Yes, God bless Canada. God save Canada. God save Canada's honour, Canada's soul, Canada's dignity, Canada's conscience. God give Canadians the light which will indicate to them where their duty lies in this hour of trial so that our children and our children's children may inherit a land where peace and freedom shall prevail, where our social, political, and religious institutions may be secure and from which the tyrannical doctrines of nazism and communism are forever banished. Yes, God bless Canada, God bless our Queen. God bless our King."

If M. Lapointe made the finest oratorical effort of the debate, the veteran C. C. F. leader, Mr. J. S. Woodsworth, may be credited with the most courageous one. He had already been paid a generous tribute by the Prime Minister for his readiness to state his convictions at all times, regardless of what the world thought of him, and he did so once more. Mr. Woodsworth explained that he spoke only for himself and not for his party, although he was never so proud as then to be associated with his colleagues. In the last war he had been driven by his conscience to take the position of unconditional pacifism, and in this one he could not change his convictions. Apart from personal feelings, the C. C. F. leader did not see why Canada should be committed to a European war because

<sup>1</sup> *Manchester Guardian*, Sept. 15, 1939.

of the bungling policies of a British government in which it had no voice. In closing, he thanked the House for its great courtesy, and rejoiced that it was possible to speak as he had done in a Canadian Parliament under British institutions.<sup>1</sup> His final words were, "I believe that the only way to do it [to maintain British institutions of real liberty] is by an appeal to moral forces which are still resident among our people, and not by another resort to brute force".

The C. C. F. view was voiced by Mr. J. W. Coldwell who explained that it was the policy, not only of the parliamentary group, but of the party's national council which had met for two days during the week and represented the consensus of opinion from coast to coast. It placed first in order of importance for every Canadian the duty of securing the unity and welfare of the Canadian people. It criticized the European policies which had brought about the present crisis, and the failure of the Canadian government to clarify its constitutional position which resulted in Canada being committed to a war policy even before Parliament had met. But the C. C. F. recognized that Canada was involved in a struggle which might involve the survival of democratic institutions, and that in the cause of the allied powers there was more hope of building European peace on a more secure foundation. It would limit Canada's contribution to the defence of her own shores and the grant of economic aid. Both conscription and an expeditionary force should be ruled out. The latter, even on a voluntary basis, was rejected on the ground that it "would rob us of the man power necessary for the defence of our shores and for home production, would gravely endanger national unity, would threaten our civil liberties and democratic institutions, and would ultimately lead to conscription". In the economic field, the C. C. F. advocated an increased tax on higher incomes, an excess profits tax and capital gains tax, strict supervision of prices and production to prevent profiteering, and the nationalization of the manufacture of

<sup>1</sup> The *Canadian Forum*, vol. XIX, Oct. 1939, editorially praised the attitude of the House as "a striking testimony of the reality and value of our democratic institutions".

arms, munitions, and war materials. It ended with a protest against the encroachments on civil liberties already introduced through the War Measures Act, and insisted that democracy at home must be unimpaired during the war. As Mr. Coldwell put it, "We must see to it that in Canada at least the lights of such freedom as we have are not blacked out".

On behalf of the Quebec nationalists, M. Liguori Lacombe, who had been a conscript in the last war, moved an amendment to the address which would have added the sentence: "This house regrets that the government did not deem it fitting to advise His Excellency, the Governor General that Canada should refrain from participation in war outside of Canada." His amendment was seconded by M. Lacroix and found an unexpected opponent in Mr. G. H. Héon (Cons., Argenteuil, Que.) who had been a vigorous critic of the government's policy in the previous spring. He appealed earnestly to the English Canadians to give his compatriots the British treatment of fair play and fair dealing. While remaining as good a nationalist as ever, he was ready to support the war, the more so since the alliance with Soviet Russia had failed of accomplishment. But it should be supported in a way which did not endanger Canadian unity or bring about financial ruin or economic suicide. M. Héon advised the mover and seconder of the amendment to beware of making the mistake "of alienating a majority group which at this moment is absolutely friendly and favourably disposed". He would have supported their views had there been the slightest chance, but he was enough of a realist to know that both the House and the majority of the Canadian people were opposed.

The amendment was quickly negated, and on Saturday evening, September 9, the address was adopted without a division since less than five members rose to oppose it. In the Senate where the C. C. F. was unrepresented the discussion was more unified in opinion and the vote was unanimous.<sup>1</sup>

Immediately after the Commons adjourned on Saturday night, the Cabinet met and recommended that the King be

<sup>1</sup> Here, too, French Canadians, like Senator Jules Prévost, warned against conscription.



asked to declare a state of war with Germany as from September 10, 1939. The text of the declaration was cabled to London. Written in ink, on a piece of plain note-paper, the document was taken to King George by the Canadian High Commissioner, the Hon. Vincent Massey. When on Sunday morning, one week after the British declaration, the King wrote "Approved, George R.I.", he advanced one step further the march towards Canadian autonomy.<sup>1</sup>

For three days more Parliament remained in session. The C. C. F. members combined with the isolationists among the French Canadians in a final effort to prevent the grant of military appropriations except for military, naval, and air operations *in, or adjacent to, Canada*. Their amendment to this effect to the War Appropriations Bill of \$100 million was defeated by 151 to 16, only ten French Canadians supporting the C. C. F. motion. Clearly Parliament was in no mood to wage war on a limited liability basis, and was eager to give the government every encouragement to prosecute the war to the best of its ability. In that mood of whole-hearted co-operation it adjourned its first war session on September 13. To a feminine observer the accumulated effect was impressive. She wrote admiringly of the war debates and her words may serve as an epitome:

Not once in all the hours between Thursday afternoon and Saturday night was there a word spoken in our Parliament which came out of fear or out of anger. Neither was there any despair. Nor any least sign of bravado. Nobody made any speeches against the enemy for the sake of whipping up the spirit. We are a people who do none of these things officially. What we do we do with a matter of fact simplicity and in faithfulness to an instinct so deep that words cannot reach it.<sup>2</sup>

<sup>1</sup> See Professor F. R. Scott: "after September 10 the world was notified that Canada intended to assume a legal relationship of a new character" (*Canadian Forum*, vol. XIX, Feb. 1940, p. 344); E. P. Dean, "Canada at War" (*ibid.*, p. 292).

<sup>2</sup> Margaret Lawrence, "Canada Has a Great Parliament for a Great Moment" (*Saturday Night*, Sept. 16, 1939).

## EPILOGUE

IN his recent monograph on the foreign policy of Britain, Professor E. H. Carr remarks that "Foreign policy is not, as some people imagine, the discovery and application of appropriate means to achieve known ends. It involves the discovery and formulation of ends and means, and the adaptation of both to the circumstances of the moment. This is one reason for its extraordinary complexity." A little later he warns his reader, "No national foreign policy can now be effective which is not approved, explicitly or implicitly, by the greater part of the people, for the simple reason (if for no other) that no foreign policy can in the long run be effective unless the country is prepared to fight for it, and that modern warfare is impossible unless the mass of the people is prepared to support its horrors."<sup>1</sup> Mr. Carr's remarks are as applicable to Canada as to Great Britain.

The Canadian governments of pre-crisis years could largely ignore questions of foreign policy, once friendly relations with the United States had been established upon a permanent foundation. Geography and the British navy constituted the ramparts of freedom, behind which Canadians could immerse themselves in the engrossing questions of domestic development, and hug the fond delusion that the twentieth century was Canada's. The World War and the attendant creation of new engines of destruction undermined those ramparts, but the prevailing attitude of mind survived almost unchanged. Those who criticize this time lag in public opinion should bear in mind that, in the same period of transition, an American President was blandly preaching "normalcy" and a British Prime Minister was espousing "tranquillity". The one break from pre-1914 policy, member-

<sup>1</sup> E. H. Carr, *Britain. A Study of Foreign Policy from the Versailles Treaty to the Outbreak of War* (London, 1939), pp. 1-2, 9.

ship in the League of Nations, was more of an avowal of changed status in both the British Commonwealth and the wider world than a firm pledge of support for a new world order. All that most Canadians knew was that the League stood for peace and co-operation, ideals which were easy to support in principle while the means of furthering those objectives were wrapped in convenient obscurity.

By the time that these ends had become difficult if not impossible of achievement and the means were of mounting importance, Canada was harassed by serious internal dissensions, arising from the strain of a world depression upon a precarious national economy, and the disturbing re-emergence of racial jealousies. Canadian statesmen, such as Mr. Bennett, were more concerned, as he once remarked, with the welfare of Halifax, Nova Scotia, than the welfare of Halifax, England. They were much less interested in the fate of Manchuria or Abyssinia. A forthright foreign policy in support of collective security might, as the speeches already quoted have indicated, still further endanger national unity. Hence the evasion, procrastination, and exasperating caution which shrouded statements of policy all through the thirties. Again let it be remembered that such behaviour was not peculiarly Canadian. The American quest for one hundred per cent. neutrality, and the British perplexity about sanctions, led their respective governments to the same ambiguities and uncertainties. If Mr. King was reluctant to refurbish Canadian armaments, after they had rusted in depression years, Mr. Baldwin was indisposed, as he later admitted, to warn the British people soon enough that re-armament on an expensive scale was essential. If Mr. King and M. Lapointe were quick to curb the embarrassing zeal of Dr. Riddell in Geneva, Sir Samuel Hoare was equally prepared to follow in the Abyssinian crisis a disingenuous policy that caused his own discomfiture.<sup>1</sup>

As the League sank into insignificance as an instrument of collective security and "have-not" states grew bolder and more greedy, Canada had to make a difficult choice. Was it best to seek isolation in the western hemisphere with the

<sup>1</sup> See Professor Carr's description (*ibid.*, pp. 112-22).

United States as its protector, or pursue a policy of co-operation and mutual defence in the British Commonwealth? To choose the first policy would certainly split the country. To draw closer to Great Britain would gladden the heart of the Tory imperialist, but would provoke suspicion in Quebec, ever fearful of being drawn "into the vortex of European militarism", and little enthusiasm among the New Canadians or the more "North Americanized" English Canadians. The choice was not made any easier by the foreign policy of the National government in Britain which depressed collectivists in Canada, many of them staunch Liberals, and exasperated the C. C. F. Hence the Micawberish policy of "no commitments" which postponed the issue but offered no solution. Like Mr. Eden in the summer of 1937, Mr. King wanted a policy of "peace at almost any price". He was only too eager to believe that "they also serve who only stand and wait". The reward of waiting seemed to have been achieved after Munich when Mr. Chamberlain returned in triumph bringing, as he hoped, "peace in our time". Nowhere was he more enthusiastically believed than in Canada. When these hopes were belied in the spring of 1939, Canadians were resignedly aware that appeasement had failed. They had had, like other Anglo-Saxon peoples, a costly education in the duplicity of dictators and the hesitations of democracies. The Royal Visit came at the psychological moment to remind them of the reality and sentimental appeal of the British connection. Herr Hitler did the rest. By his double-dealing and his pact with Soviet Russia he convinced the majority of both English and French Canadians that in the hour of decision the British government could do no other. In sober mood, with more tolerance, less self-conceit, and fewer illusions, and willing to pay its share of the cost of creating a world in which the free people of small nations could hope to enjoy the good life, Canada entered the second Great War.

## NOTE ON CANADA AND THE REFUGEE PROBLEM

IN this country the admission of refugees has never been considered by itself but always in connection with the general immigration problem. Before 1914 Canada admitted immigrants gladly and generously, with few questions, and with much advertising of the land of opportunity in the appropriate European newspapers.<sup>1</sup> With the outbreak of the World War immigration naturally declined, and thereafter never regained the proportions of the early years of the century. In the most prosperous period of the nineteen-twenties the tide of immigration began to flow again, with the emigration of British stock showing no sign of regaining its pre-war magnitude.<sup>2</sup> Refugees did not then constitute such a ghastly problem as that which developed in the thirties, although it has been estimated that at least ten thousand political refugees entered Canada in the decade 1920-30.<sup>3</sup> When Canada began to feel the full impact of the great depression in 1931, the new Conservative government adopted drastic orders in council designed to reduce immigration to a minimum. These restricted admission to four types of settlers: British subjects entering Canada from the United Kingdom, the British Dominions, or the United States with sufficient means to support themselves until employment was

<sup>1</sup> Immigration to Canada for the fiscal year ending

March 31, 1908 .....	257,309	March 31, 1912	334,853
" 1909 .	141,370	" 1913 .	382,841
" 1910 ....	196,044	" 1914	367,240
" 1911 ..	294,517		

The Immigration Branch's *Report for the Fiscal Year ending March 31, 1938* (Ottawa, 1939), has excellent statistical tables.

<sup>2</sup> Immigration for fiscal year ending

March 31, 1926 . . .	96,064	March 31, 1929 . .	167,723
" 1927 .....	143,989	" 1930	163,288
" 1928 . .	151,600		

<sup>3</sup> This was the figure quoted by Mr. Hume Wrong, Canadian delegate to the Evian Conference, and cited in Sir John Hope Simpson's, *The Refugee Problem* (London, 1939), p. 489.

secured; citizens of the United States with sufficient means to maintain themselves until employment was secured; the wife, or child under sixteen, of any person resident in Canada who could care for his dependents; an agriculturalist having sufficient means to farm in Canada.<sup>1</sup> In addition to curtailing immigration by these orders in council, the government discontinued the practice of granting assisted passages to Canada to certain British immigrants, and ceased circulating immigration propaganda. However it was still possible for an immigrant to be admitted by a special order in council on the recommendation of the Minister of Mines and Resources who had charge of the Immigration Branch. Under these conditions immigration was reduced to a mere trickle,<sup>2</sup> the figures for the fiscal year ending March 31, 1936 being the lowest since Confederation.

Despite the improvement in economic conditions in the last half of the thirties the Liberal administration did not alter the regulations of its predecessor. Speeches were made occasionally in the House and elsewhere about Canada being a land of great open spaces which was a coveted object for "have-not" nations to behold, and land settlement companies and railway officials periodically pleaded for a revival of a vigorous immigration policy. But labour was generally opposed<sup>3</sup> and farmers on the prairies were not eager to add

<sup>1</sup> P. C. 695, March 21, 1931. A Liberal journalist, Grant Dexter, in a despatch of August 10, 1939, described these regulations as being "adopted in a mood of defeatism bordering on hysteria".

<sup>2</sup> Immigration for fiscal years ending

March 31, 1932	25,752	March 31, 1936	11,103
" 1933	19,782	" 1937	12,023
" 1934	13,903	" 1938	15,645
" 1935	12,136		

Admissions by special order in council, presumably in the calendar year

1932 .	746	1935 . .	1,059	1937 .	759
1933	1,357	1936 . . .	819	1938 .....	1,242
1934 .....	520				

These figures were supplied by the Hon. T. A. Crerar in answer to a question in the House of Commons on February 16, 1939 (*Commons Debates*, 1939, vol. I, p. 989).

<sup>3</sup> In its representations to the government in January 1938, the Trades and Labour Congress advocated the maintenance of restrictions "until the present unemployment and agricultural depression has disappeared" (cited in F. R. Scott, *Canada Today*, Toronto, 1939, p. 23).

to their numbers when there was already an apparent glut of farm produce.<sup>1</sup> Still more important, French Canada was definitely hostile, possibly because of its unwillingness to see its proportion of the total Canadian population decline by reason of immigration.<sup>2</sup> It should also be noted that students of population had been producing some convincing articles which reduced earlier grandiose claims of Canada's absorptive capacity for immigrants to much more modest proportions, and which pointed out the somewhat suspicious coincidence between large-scale immigration to Canada and large-scale emigration to the United States of Canadians. Even in prosperous times the experts thought that Canada could not absorb profitably more than fifty to sixty thousand a year.<sup>3</sup>

Under such conditions it was difficult for the cry of the refugee to make itself heard in Canada. Not until it had become a roar of agony, with the intensification of the Nazi persecution of Jews and the widening of the Nazi area of control and brutality, could any real response of value be noted.<sup>4</sup> The most likely persons to appeal on behalf of their distressed kinsmen, the Jewish people of Toronto and Montreal, who had two members of their faith, Messrs. Factor and Jacobs, as Liberal members, did what they could. Unhappily they had to face the unmistakable signs of anti-Semitism in the Union Nationale movement in the province of Quebec and occasional unpleasant hints of racial intol-

<sup>1</sup> See the resolution presented by the Social Credit member for Wetsaskiwin, Mr. Jaques, from some of his constituents who declared they were "bitterly opposed to the dumping in our midst of any more immigrants as long as the ruinous present prices for farm products exist" (*Commons Debates*, 1939, vol. III, p. 3417).

<sup>2</sup> On January 30, 1939, Mr. Lacroix (Quebec-Montmorency) presented a petition signed by 127,634 members of the St. Jean Baptiste Society in the Quebec Diocese "vigorously protesting against all immigration whatsoever and especially against Jewish immigration". They also urged the government to prevent the entry "of even a few immigrants" by special permit (*Commons Debates*, 1939, vol. I, p. 428).

<sup>3</sup> See "Canada: 1. Immigration, a Negative View; 2. Another View of Immigration" (*Round Table*, vol. XXIX, March 1939, pp. 378-411); D. A. MacGibbon, "Population Policies: The Economic Policies Necessary to Implement Them" (Canadian Institute of International Affairs, *Canadian Papers*, 1938, pp. 1-16).

<sup>4</sup> Sir Hubert Emerson has estimated that between 1933 and the close of 1938, 350,000 Germans and Austrians left their country. In the year

erance in Toronto. Early in 1938 a group of members of the House of Commons interviewed the Prime Minister, and, subsequently, a special sub-committee of the Cabinet composed of Messrs. Crerar, Mackenzie, Ilsley, and Rinfret. They suggested that a reasonable number of refugees, which they put at five thousand, be allowed to come and settle in Canada, and they were prepared to give undertakings that none of them would become a public charge.<sup>1</sup> The delegation received a sympathetic hearing but, to judge from the immigration figures, did not secure very concrete results. Yet the Canadian government did send a representative in July 1938 to the Evian Conference, summoned by President Roosevelt to discuss the problem of German refugees, although from the reports of the Conference it did not make any major offer of assistance in assimilating refugees.<sup>2</sup>

After the partition of Czechoslovakia a new campaign commenced, stirred by a sense of discomfort at the fate of the Czech republic and by the reports of the fate of those liberal Sudeten Germans and Czechs who had fled to Prague as the Nazi forces marched in. The League of Nations Society in Canada took the initiative in setting up a Canadian National Committee on Refugees and Victims of Political Persecution, composed of 150 representative citizens, and supported by forty national organizations. It held a two-day conference in December and made representations to the government

1938-9, 120,000 had to flee (Sir J. H. Simpson, *Refugees—A Review of the Situation since September 1938*, pp. 5, 25).

IMMIGRATION OF GERMANS OF RACIAL ORIGIN TO CANADA FOR THE PERIOD  
APRIL 1, 1933 TO MARCH 31, 1938

		Permits by calendar year	
		German	Austrian
1933-4	401	1933 . . . . . 128	22
1934-5	301	1934 . . . . . 42	4
1935-6	209	1935 . . . . . 43	2
1936-7	367	1936 . . . . . 41	11
1937-8	523	1937 . . . . . 78	5
		1938 . . . . . 73	34

<sup>1</sup> See Mr. Heaps's speech (*Commons Debates*, 1939, vol. I, p. 432).

<sup>2</sup> See "The Evian Conference on Refugees" (*Bulletin of International News*, vol. XV, July 16 and 30, 1938). By the close of 1938 Australia had offered to accept 5,000 refugees a year for three years.



urging that "the immigration of carefully selected individuals or groups of refugees to Canada will prove of inestimable value in our national economy by introducing skilled workers and new arts, crafts and industries".<sup>1</sup> Through the Canadian Broadcasting Corporation an impressive talk on behalf of refugees was heard from Lord Baldwin in England and a vigorous effort was made to mobilize public opinion.<sup>2</sup> The one political group which took up the cause in the House of Commons was the C. C. F. During the debate on the address, Mr. J. W. Coldwell urged the government to have Canada join other democracies in offering asylum to a fair quota of sufferers from Nazi persecution, both Jews and Christians, with proper safeguards against their becoming a public charge. Mr. Coldwell also presented a resolution from the national executive of the C. C. F. in support of his request.<sup>3</sup> Excepting other C. C. F. speakers such as Messrs. Rowe, Heaps, and Woodsworth, no other English-speaking member supported the appeal, while French-Canadian members were not slow to express their doubts of such a policy.

M. H. E. Brunelle (Champlain, Que.), congratulated the Hon. Fernand Rinfret on the statement he had made in Montreal in January in which he declared that the government had no intention of diminishing the restrictions on immigration. He wanted to be placed on record as one who strongly objected to the entry of Jews *en masse* or otherwise.<sup>4</sup> M. Pierre Gauthier (Portneuf, Que.) expressed similar opinions. M. Lacroix presented the petition already cited while other members addressed questions to the Minister of Mines and Resources intended to warn him that his Bureau of Immigration was under observation.<sup>5</sup> The only concrete

<sup>1</sup> See their pamphlet *Should Canada Admit Refugees?* (Ottawa, 1939), which had a considerable circulation.

<sup>2</sup> B. K. Sandwell, "Should We Admit Refugees?" (*Saturday Night*, Feb. 25, 1939). The *Monthly News Sheet* of the League of Nations Society in Canada, May-June 1939, incorporated a three-page bulletin on the progress attained.

<sup>3</sup> *Commons Debates*, 1939, vol. I, pp. 122-3.

<sup>4</sup> *Ibid.*, p. 305.

<sup>5</sup> From October 1 to December 31, 1938, Canada admitted 249 Germans and 21 Czechs. Forty-eight Czechs received special permits during the calendar year 1938.

policy announced by the government dealt with a settlement of Sudeten Germans and Czechs who were either agriculturalists or craftsmen, and were sponsored by a British refugee committee which had funds to assist them. In December a Czech delegation visited Canada to see if any co-operation could be secured for settling them here. They were promised admission for the refugees as farmers if they passed a rigid health examination, were judged fit for a pioneering settlement, and could bring for each family unit capital to the amount of at least \$1,500. Canada made no contribution towards settlement or transportation but provided colonization experts to assist in the transfer.<sup>1</sup> By May about 150 families had arrived in Canada to be settled in Saskatchewan and the Peace River district of British Columbia.<sup>2</sup>

That the few refugees who have secured admittance with such difficulty to Canada have proved an economic asset is already undeniable. Writing in August 1939, the *Financial Post* estimated that at least fifty new industries had been established by European capital, most of it refugee, and several hundred jobs created for Canadian workers.<sup>3</sup> It believed that for every employer or skilled European worker admitted to Canada ten Canadians secured employment. By the time war was declared the number of refugees admitted since the first of the year had reached almost five thousand and they had brought with them an estimated capital of \$20 million, while one Montreal industrialist believed that further European capital to the total of \$500 million was watching developments.<sup>4</sup> In Ottawa the famous Bohemian glass was being manufactured by the Bohemian Moser Glassware Company. A munitions plant was built at Sorel, Quebec, at a cost of \$3.5 million, really a transfer of skill and capital from the Skoda works in Czechoslovakia, and it received

<sup>1</sup> Mr. Crerar's statement, March 9, 1939 (*Commons Debates*, vol. II, pp. 1697-9).

<sup>2</sup> *Ibid.*, vol. IV, pp. 4731-2. New Brunswick was also considering a settlement.

<sup>3</sup> "Europe's Industries Find Haven in Canada" (*Financial Post*, Aug. 5, 1939).

<sup>4</sup> Despatch by Mr. Frederic T. Birchall (*New York Times*, March 3, 1940). Mr. Birchall believed that 200 industrial capitalists and 1,000 specialized workers had been admitted.

French armament contracts. The great Bata Shoe Company, after a struggle with rival Canadian companies,<sup>1</sup> had established a plant at Frankford, Ontario, that was employing 600 men by the close of 1939 and could be used to turn out precision gauges for munitions work. Near Winnipeg a sugar beet factory was nearing completion in the spring of 1940 that would offer a market for over 400 farmers and a seasonal job to 250 employees. New Westminster, B.C., was the home of two lumber firms, the Alaska Pine Company, established by a skilled Czech industrialist, Leon Korner, who found a use for the despised hemlock, and the Pacific Veneer Company, which had to double its plant after six months of operations.<sup>2</sup> In Toronto, a German refugee, one of the world's finest weather experts, was helping Trans Canada Airways train weather forecasters, and was also aiding in establishing the weather service for the new Empire Air Training Scheme. What the Huguenots did for England in the sixteenth century was being done for Canada by another group of victims of persecution in our own time.

<sup>1</sup> See the question in the House of Commons (*Commons Debates*, vol. IV, pp. 4890-1).

<sup>2</sup> Peter Stursberg, "Expatriated Enrolled in Our Industry" (*Vancouver Province*, Sunday Magazine, March 23, 1940).



PART II  
ECONOMICS

*By*  
J. F. PARKINSON



## VI. FOREIGN TRADE<sup>1</sup>

THE period under review was marked by significant changes in government trade policy—when contrasted with the methods of the Conservative government of 1930-5—but the actual course of trade was influenced in the main by events in Canada's chief markets, Great Britain and the United States. As a result, the volume of imports and exports, as well as the prices of commodities, tended to fluctuate in accord with the sharp cyclical developments which took place in those two countries. Needless to say, with export production constituting between 25 and 30 per cent. of total production in Canada, the national income also tended to respond very sensitively to changes in the conditions of the export industries.

Generally speaking, 1937 saw the culmination of a recovery in exports which had begun in 1934. In late 1936 and early 1937 the economic recovery in the United States, after several years of indecision, had taken on the proportions of a boom—judged by post-depression standards. Canada benefited from the sharp rise of prices which took place in American markets, so that from the middle of 1936 to the spring of

<sup>1</sup> This part covers Canada's external economic relations during the years 1937-9. It was written in August 1939. Consequently the writer could hardly examine Canada's commercial policy in terms of the requirements of the present war situation. (Perhaps it should be added that preparation for war played no part in Canadian trade policy; quite the contrary.) However, the original material has been allowed to stand practically without change—except for the addition of more recent statistics. Such views as are expressed herein on the merits and purposes of Canadian commercial policy, were predicated upon the continuance of normal international economic relationships. As such they seem now to possess an air of unreality and, possibly, irrelevance. Doubtless developments during the war will create new and unusual economic situations for Canada, so that future commercial policy may also be determined by factors the nature of which can scarcely be guessed today.

1937 farm prices in Canada rose by 40 per cent., base metals by 44 per cent., lumber by 22 per cent., and wheat by 70 per cent. Other staple Canadian exports shared in this improvement. Wheat growers alone were unable to take advantage of this good fortune, owing to an extreme shortage of supplies, the consequence of several years of drought in many western areas.

During the first eight months of 1937, therefore, conditions in the export trades generally were good. As events turned out, however, the economic recovery in Canada and abroad was short-lived. Beginning in the fall of 1937, Canadian export receipts began to decline with the slump in the United States, the downward movement gathering momentum as business conditions in the United Kingdom also began to relapse early in 1938. For the fiscal year 1937-8 total exports amounted to \$1,085 million—slightly more than the total for the preceding year (see Table I). It should also be observed that during 1937-8, commodity imports—which in

TABLE I  
CANADA'S FOREIGN TRADE  
(*\$ million*)

Fiscal year	Imports	Exports (including gold)	Balance of trade
1928-9 .....	1,266	1,368	+128
1932-3 .....	406	535	+129
1936-7 .....	672	1,074	+402
1937-8 .....	799	1,085	+286
1938-9 .....	658	970	+312

the early years of business recovery had increased but slowly from the levels of depression—had in this year taken a sharp jump. The explanation for this is probably to be found not so much in the relaxation of tariff barriers as in the fact that the benefits of higher export incomes had at last begun to permeate the whole economy, and to find an outlet in new production of capital as well as consumption goods. At all events, the effect of the increase in imports was to reduce



somewhat the extremely large favourable balance of trade shown for the preceding year. Nevertheless the margin between exports and imports, at \$286 million, was still very comfortable.<sup>1</sup>

A detailed analysis of the markets for particular staple exports cannot be attempted here.<sup>2</sup> One or two features of the trade, however, call for comment. The value of exports (and of imports also) in the fiscal year 1937-8 was practically double that of the extreme depression year of 1932-3. When account is taken of the heavy fixed costs of the industries and governments directly or indirectly associated with the export trades, the stimulus to national income created by this level of exports needs no elaboration. On the other hand, the most depressed group of export industries did not share in the high level of exports of 1937-8. For agricultural and vegetable products the decline in the volume exported was considerable. Shipments of agricultural and vegetable products declined by 43 per cent. in volume, although higher prices restricted the drop in the value of exports to 32 per cent., as compared with the previous year. This change was principally due to curtailed shipments of wheat, the result of a disastrous crop failure in the western provinces, particularly in Saskatchewan. Total wheat exports were only 90 million bushels as compared with 228 million bushels in the previous fiscal year.<sup>3</sup> However, exports of other groups showed gains in both value and volume. The important forest products industries all enjoyed an active and reasonably profitable export trade. Lumber continued to find large markets in the United Kingdom throughout the year, in meeting the demands of housing construction there, while the American market did not begin to decline until early in 1938. Sales of newsprint and wood-pulp to the United States grew rapidly during most

<sup>1</sup> The significance of this situation is discussed in the next section.

<sup>2</sup> See *Trade of Canada—Annual Report* for these years; also *Condensed Preliminary Report on the Trade of Canada, 1938-39* (Dominion Bureau of Statistics, Ottawa, 1939).

<sup>3</sup> The crop for 1937 was 182 million bushels, compared with 220 million in the previous year, which itself was not regarded as a satisfactory crop.

of 1937 with the increase in advertising lineage, and the standard price of newsprint was raised. For the calendar year (1937) the value of exports of bacon and hams was practically double the 1936 figures, owing to increased sales in the sheltered market of the United Kingdom. Cattle exports (mainly to the United States) showed a big increase in the early part of the year, but declined later. The largest increase in exports was shown by the base-metals group. Exports of nickel increased sharply in the summer of 1937, and while American purchases fell rapidly early in 1938, the British demand continued to rise. Exports of copper rose even more sharply (\$57 million compared with \$40 million), while lead and zinc exports also improved. In general the sharp increase in the exports of base metals to a position equalling that of forest products has been a conspicuous feature of Canadian trade and economic development in recent years.

In the field of manufactured products, the exports of such things as automobiles, tires, farm implements and machinery, electrical equipment, rubber shoes, and chemicals were all well maintained in 1937. These commodities, of course, all enjoy the benefits of the British preference, in competition with other countries, in the markets of the United Kingdom and other parts of the Commonwealth, and it is worth recording that despite the fact that exports in general began to decline towards the close of 1937, sales to the British Dominions were well maintained on into 1938.

In the next fiscal year (1938-9) Canadian trade was profoundly influenced by developments abroad, that is, by the slump in the United States—which was accompanied by a sharp decline in world prices—and the slackening of business in the United Kingdom. In the early months of 1938, for example, exports to the United States (in value) were 30 per cent. below the levels of the same period in 1937. Most of the important exports shared in the decline of prices and, or, volume, including lumber, cattle, and newsprint. At the same time the curve representing exports to the United Kingdom began to flatten out. In the latter connection, the decline in housing activity in Britain curtailed the demand for lumber

which had hitherto more than compensated for the small American demand, while the American requirements became so small as to leave the tariff quota on certain types unfulfilled. For base metals, however, export volume was well maintained—a reflection no doubt of rearmament abroad—although prices fell. The position of gold, with rumours of a reduction in the American price dispelled for the time being, continued to improve. The tariff quotas on Canadian beef, cattle, and shingles entering the United States were filled by the fall of the year, so that the resultant imposition of higher customs duties operated to lower prices in Canada and to restrict exports. The wheat crop showed a considerable improvement over the previous year,<sup>1</sup> but with prices extremely low the prospects for the growers and for export values were poor. For the fiscal year the average price recorded for wheat exports was 70 cents as against \$1.30 in the previous year. In this emergency the federal government decided to guarantee to growers a price based upon a fixed minimum of 80 cents a bushel. In conformity with the policy adopted in 1935, and continued since, the government announced its intention of continuing to sell government-held wheat freely, in preference to withholding it until prices were higher. For the fiscal year exports of wheat were only 121 million bushels (\$85 million), the lowest value recorded since before the Great War.

In the summer of 1938, however, business in the United States commenced to improve, the initial upswing being almost as sharp as the slump of 1937 had been. Somewhat later, and stimulated by rearmament activities, an economic recovery began in the United Kingdom. While the effect of this on Canadian prices was not very marked, demand for exports grew, and export returns in the early months of 1939 began to surpass those for 1938. For the entire fiscal year, however, Canadian exports totalled \$970 million, a drop of 11 per cent. Imports, however, fell to \$658 million, a drop of nearly 18 per cent., so that the surplus on trade account at \$312 million slightly exceeded the level of 1937-8. In the main the decline

<sup>1</sup> It totalled 360 million bushels, and was almost twice as big as that of 1937.

in exports was due to lower prices. Further, the decline of export prices was much greater than the decline of import prices. Marked reduction in imports occurred in such commodities as rolling mill products, machinery, vegetable oils, textile fibres, and crude rubber.

The recovery in the volume of trade which began early in 1939 continued up to August 1939. For the period from May to July the value of exports (exclusive of gold) was nearly 17 per cent. higher than in the same period of 1938. The principal commodities affected by the improvement were newsprint, planks and boards, and nickel.

## VII. SHIFTS IN THE DIRECTION OF TRADE

REFERENCE has already been made to the fact that during the period when Canadian exports generally were declining (late 1937 and throughout 1938), exports to the other British Dominions were well maintained. Of course this development is part and parcel of a general tendency towards an expansion of trade between Canada and the other British Dominions, which has been so noticeable since the Ottawa Agreements of 1932. For the fiscal year 1938-9 exports to British countries other than the United Kingdom constituted 11.1 per cent. of total exports compared with 7.8 in 1928-9.<sup>1</sup> The growth of the share of the "other Empire" group in Canadian imports is equally marked. The continuing influence of the Ottawa system upon trade between the British Dominions cannot be doubted. When we come to analyse the changes in the respective shares of Canadian exports taken by the United Kingdom and the United States, however, more caution is required. For one thing, the totals of exports to the United Kingdom from year to year are greatly influenced by changes in the volume of wheat available for sale, and by the sharp fluctuations in price which are typical of this important staple. Thus the fall in the British share of Canadian exports in 1938-9 is explainable mainly in terms of small wheat exports.

It is therefore difficult to prove that the higher proportion of exports going to the United Kingdom since 1932 is substantially the result of the system of preferences built up then and in subsequent years. In any case it should be observed that such diversion of exports as has occurred since 1929 has not diminished Canada's dependence upon United States markets. In the year 1938-9 that country took roughly 40 per cent. of Canada's total exports, as compared with only 37

<sup>1</sup> See Table I, p. 176.

per cent. in 1928-9.<sup>1</sup> The diversion of exports attributable to the development of preferences is reflected rather in a diminution of exports to foreign countries other than the United States. Needless to say, in the case of the export trade with the continent of Europe, the special situation of wheat would figure prominently in any analysis of the decline.

Turning to the imports, it is necessary to point out here also that the comparisons presented in Table II should not be interpreted too narrowly. For example, the partial shift from the United States to the United Kingdom which took place after 1930 (imports from the United States in 1933-4 were only 54.9 per cent. of the total as compared with 68.6 per cent. in 1928-9, the United Kingdom share being 24.2 and 15.3 per cent. in the same years) was not entirely the result of the Ottawa Agreements. The reason for this is that imports from the United Kingdom typically consist of manufactured goods needed mainly for direct consumption. In the change from prosperity to depression these goods are better maintained both as to price and as to demand. On the other hand, typical imports from the United States consist either of raw materials to be worked up by Canadian industry or of manufactured products of the type associated with the capital goods industries. The first of these two groups underwent a very sharp decline in price during the depression years, while the demand for capital goods practically collapsed for a while. It is not, therefore, legitimate to argue that the reduction in the proportion of imports taken from the United States which is observable in the period 1929-33 was largely the result of adjustments in tariffs and preferential margins. Much of the reduction would have occurred in any case.<sup>2</sup>

Turning to the developments of more recent years, changes in the direction of trade have been affected by similar non-political circumstances, now operating in a reverse direction.

<sup>1</sup> It must be granted that the increase would be less if gold exports were excluded from the calculations. However, exports to the United States in the twenties and thirties have come to exceed the total of exports to the United Kingdom.

<sup>2</sup> However, in individual cases, the shift from the United States or elsewhere to the United Kingdom as a source of supply for imports was a significant reality. This is discussed later.

For example, the increase in the share of Canada's imports contributed since 1936 by the United States (with a more or less proportionate decline in that of the United Kingdom) cannot be attributed entirely—or even in large measure—to the commercial rapprochement concluded with the United States in 1935. Any revival of business in Canada is likely to

TABLE II  
TRADE OF CANADA WITH BRITISH AND FOREIGN COUNTRIES  
(in percentages)

	United Kingdom	Other British Empire	United States	Other countries
EXPORTS				
1928-9 . . . . .	31.4	7.8	36.8	24.0
1932-3 . . . . .	34.9	7.2	37.4	20.5
1936-7 . . . . .	38.4	8.3	41.0	12.3
1937-8 . . . . .	38.2	10.1	39.6	12.1
1938-9 . . . . .	35.1	11.1	40.6	13.2
IMPORTS				
1928-9 . . . . .	15.3	5.0	68.6	11.1
1932-3 . . . . .	21.3	8.3	57.2	13.2
1936-7 . . . . .	19.3	10.2	58.6	11.9
1937-8 . . . . .	18.2	11.0	61.0	9.8
1938-9 . . . . .	17.6	9.9	62.7	9.9

result in a greater proportion of imports being drawn from the United States, while the value of imports is further increased if this situation is accompanied, as was the case, by a hardening of raw material prices in the United States.

In the trade with other foreign countries, however, we are on firmer ground. Here it seems reasonable to argue that the effects of the British preference—combined with higher tariffs—are properly shown in the statistics. The share of imports from other foreign countries, particularly those on the continent of Europe, was sharply curtailed as a result of the extension of preferences, since it was with these countries that the competition of the United Kingdom was most common.<sup>1</sup>

<sup>1</sup> For example, in textiles. Of course British-American competition is also important in many directions.

And while the government's trade policy since 1935 may have restored the competitive position of the United States vis-à-vis the United Kingdom in the Canadian market, it did little or nothing to restore other foreign countries to their earlier position.



## VIII. THE BALANCE OF INTERNATIONAL PAYMENTS

ATTENTION has already been drawn to the markedly favourable surplus of exports over imports which was such a conspicuous feature of Canadian trade in the years 1933-9, reaching a peak of \$453 million in 1936.<sup>1</sup> This surplus was mainly responsible for the favourable balance of payments which characterized the "current"—as contrasted with the "capital"—international transactions of Canada during the period under review. While sales of non-monetary gold have properly been included in merchandise exports, this item alone was responsible for \$157 million of the favourable balance in the calendar year 1938,<sup>2</sup> and seems unlikely to diminish. Another important credit item, though "invisible", is the tourist trade. Net receipts from this source in 1936, 1937, and 1938 were \$141, \$170, and \$162 million respectively. Interest and dividend payments accounted for an invisible debit of approximately \$240-260 million in recent years.

Taking everything into account, it will be seen that the favourable current balance of international payments, which first re-appeared in 1933, reached a peak in 1936 at \$309 million. Thereafter this annual surplus diminished somewhat with the decline of the commodity export surplus, but remained quite substantial. In other words Canada had definitely emerged to the position appropriate to that of a "mature debtor" country. Although this country remained in substantial debt to foreign lenders and investors<sup>3</sup> and continued to attract investment from abroad, the development of the economy had reached a point where Canada might either

<sup>1</sup> See Table III.

<sup>2</sup> Henceforth, the statistics used are applicable to the calendar year so as to conform with the usage of the balance of payments.

<sup>3</sup> Total British and foreign investments in Canada as at the end of 1937 are estimated at \$6,765 million. Of this \$2,280 million comprise

add to her external capital assets, or reduce her foreign indebtedness. Actually this condition was first apparent during the years 1926-8. During that period the net flow of capital funds was outward, as it had been in recent years, although the net movement then was not as heavy as in more recent

TABLE III  
ESTIMATED CANADIAN BALANCE OF INTERNATIONAL PAYMENTS  
(\$ million)

<i>Net credit items are marked +</i> <i>Net debit items are marked -</i>						
CURRENT ACCOUNT	1933	1935	1936	1937	1938	1939
Merchandise . . . .	+147	+193	+322	+213	+182	+202
Gold . . . . .	+87	+117	+131	+145	+157	+184
Tourist trade . . . .	+66	+119	+141	+170	+162	+165
Interest and dividends . . . . .	-224	-209	-234	-246	-251	-261
Freight . . . . .	-22	-14	-18	-26	-25	-41
Miscellaneous . . . .	-33	-29	-34	-39	-44	-41
Credit balance on current account	+22	+177	+309	+218	+180	+209

(The estimates for 1939 are preliminary.)

years. The net inward flow of capital funds which occurred during the years 1929-31 may therefore be regarded as abnormal and temporary, the result of the sharp reduction of exports, visible and invisible. In succeeding years, as imports were drastically reduced, an export surplus reappeared. This grew still further with the recovery of the export trades, and the outward capital movement was therefore resumed.

However, one significant change in the character of this capital export calls for comment. In the earlier period referred to, such funds in the main went to increase Canadian investments abroad—particularly in the United States. Smaller amounts of capital exports arose from the increase

direct investments, and the balance mainly "portfolio" investments. Of the latter group government and railway securities are the two largest single items. See *British and Foreign Direct Investments in Canada, 1937* (Dominion Bureau of Statistics, Ottawa, 1939).

in the foreign assets of the chartered banks. In the more recent period one of the principal forms taken by the export of capital has been the retirement of Canadian securities issued abroad. In this period many Canadian securities—originally floated during and since the last war in London and New York by the federal government, or by government-sponsored railways, or by other public and private bodies—have been conveniently maturing. Taking advantage of the favourable condition of the domestic capital market, and of the balance of payments, borrowers have been able to repay these external issues out of new funds borrowed in the domestic market. During the years 1936-9 the gross retirement of securities held outside Canada has been estimated at \$270, \$178, \$151, and \$235 million respectively, as is shown in Table IV.<sup>1</sup>

During the six-year period 1934-9 securities valued at \$1,274 million were retired in this way. It should be added that a substantial proportion of these retirements consisted of optional payment bonds (that is, bonds payable at the holder's option in Canada or New York, or in Canada, New York, or London), a form of security which proved particularly inconvenient to this country during the period of unstable exchanges. New securities issued abroad during the same six-year period total \$658 million. The net retirement of external debt therefore amounted to \$616 million.

Other substantial capital exports arose from the transfer of capital (as well as such profits as are not recorded in the balance of payments in the form of interest and dividends) from foreign-owned branch plants or other types of direct investment in Canada. During the twenties and up to 1931, there was a heavy movement of funds from abroad into branch plants and subsidiaries in Canada, and the balance

<sup>1</sup> Of course capital movements in the latter part of 1939 had already come under the influence of foreign exchange control, or reflected the needs of war finance. Thus, in November, the Dominion government placed a credit of \$92 million at the disposal of the British government in exchange for a Canadian issue callable in London. On the other hand, a number of other externally-held bonds retired during the year were refinanced by new issues sold in the United States.

was predominantly inward until 1928. Since then the inflow of funds has fallen off, while the outward movement has tended to grow, particularly in periods when business activity in Canada was favourable and earnings were good. Since 1933

TABLE IV

CAPITAL MOVEMENTS BETWEEN CANADA AND OTHER COUNTRIES  
(\$ million)

+ signs indicate an inward movement of capital  
— signs indicate an outward movement

	1934	1935	1936	1937	1938	1939
New security issues . . .	+111	+117	+106	+90	+89	+145
Retirements of securities owned outside Canada—	169	—271	—270	—178	—151	—235
Net purchase or sale of outstanding securities .	+9	+51	+8	—5	+29	+72
Net capital transactions of international direct investments . . . . .	—51	—52	—74	—83	—102	—144
Net insurance transac- tions . . . . .	+3	—18	—26	—10		
Change in net external assets of Canadian banks	—19	0	+2	—13		
Net recorded movement of capital . . . . .	—116	—174	—254	—199	—135	—162
Credit balance on cur- rent transactions to be accounted for . . . . .	+75	+177	+309	+218	+180	+209

(The figures for 1939 are preliminary.)

these remittances abroad have been substantial, especially those which represent the repayment of short-term advances.<sup>1</sup>

The greatest volume of international capital transactions concerning Canada arises from the purchase and sale of outstanding securities. These represent international dealings in a wide variety of stocks and bonds—British, Canadian, and

<sup>1</sup> These advances were large before the depression years, and unlike long-term investments, continued during the depression.

American—the largest single item of which is the stock of various Canadian companies. In 1937, over half a billion dollars' worth of securities were traded in each direction, and over the long period purchases and sales have tended to offset each other. During 1937 the net movement of such funds was outward but small, and coincided with the first serious stock market slump in Canada since 1933. The normal trend was resumed in 1938 and continued in 1939 with a net inward flow of \$29 million and \$72 million, respectively. It may be added that in 1938, although (on balance) securities were sold abroad, the trade with the United Kingdom resulted in an excess of purchases over sales for the first time in three years. In that year the re-purchase by Canada of Canadian securities held in the United Kingdom was quite considerable, and this form of capital efflux continued throughout 1939. This means that most of the inward flow of capital funds for portfolio investments is now coming from the United States and not from the United Kingdom, as was the case up to 1938. In 1939, as in 1938, sales exceeded purchases, the balance being much above the levels of the previous year, and again the main interest was shown by investors in the United States. It should also be recorded that sales of securities to other countries have been steadily increasing, a total of \$19 million being recorded for 1938, and nearly as much for the first six months of 1939. It seems reasonable to attribute this development in part to the growing fear of war on the continent of Europe. That this movement is significant is borne out by the fact that the inward flow of capital for "other foreign" accounts is far higher proportionately than their former investment interest would lead one to expect. (In 1937 only about 5 per cent. of the reported external security transactions were with countries other than the United Kingdom or the United States.<sup>1</sup>) Parenthetically, while gold movements are properly dealt with separately from a study of capital movements,

<sup>1</sup> Of the total of \$6,765 million of external capital invested in Canada at the end of 1937, \$2,685 million was British, \$3,932 million was American, and only \$148 million belonged to the nationals of other countries.

it is worth noting that during this period Canada was becoming an important depository for foreign-owned gold, spectacular increases being shown during May 1939. In that month a net amount of 4.7 million ounces (worth about \$165 million) of gold was set aside for account of foreign holders, bringing the total of gold held under earmark to about \$330 million. While part of this gold was undoubtedly transferred by the British monetary authorities, who were no doubt anxious to keep a working-gold reserve well removed from the scene of potential hostilities (and, doubtless, conveniently placed for shipment to the United States), a considerable portion probably consisted of gold formerly held in London on continental account, which had been transferred to Canada for greater safety.<sup>1</sup> Another source of capital inflow arose from the maintenance of balances of fugitive money in Canada. While the totals are not known, and probably not very large, it is believed that increases occurred in 1938 and 1939. Other transfers of international capital were fairly small. In 1938 the Canadian banks increased their external assets by \$13 million, but it is to be observed that the chartered banks did not resume their pre-depression practice of holding large sums in liquid assets in New York. While this may be ascribed in part to the unprofitable return earned by such assets today as compared with a decade ago and, possibly, to the greater risk of exchange losses involved, there is little doubt that the development of the Bank of Canada has had something to do indirectly with the change. For one thing the central bank has encouraged the widening of a domestic short-term market. Then, too, the banks are now free from their former responsibility—albeit a self-imposed one—for the stability of the Canadian exchanges. The chief significance of these foreign liquid assets, from a national point of view, is their convenience at a time when the balance of payments is sharply reversed, as in 1929-30. This contingency, however, seemed more remote in the late thirties than it was in the earlier period.

<sup>1</sup> *Wall Street Journal*, July 5, 1939.

Summarizing the general trend of capital movements to and from Canada during this period, it may be said that Canadian liabilities abroad were decreased by the retirement of fixed debts held abroad, the repayment of capital advanced by non-resident concerns to their Canadian branch plants, and the re-purchase of domestic securities held abroad, while at the same time Canadian assets abroad were increasing. A decade earlier the tendency was for both external assets and liabilities to increase, but, as has been pointed out elsewhere: "The increase in Canadian investments abroad in the earlier years did not bring with it a rigid income, whereas the increase in foreign holdings of Canadian bonds during the same period did create growing liabilities for the payment of interest by Canadian borrowers. Reductions in contractual liabilities abroad in recent years have materially reduced the amount of interest payments on externally held bonds."<sup>1</sup>

Of course, during the five years 1935-9 dividends paid by companies in Canada to foreign investors grew as a result of the larger direct and portfolio investment in Canada and the growth in incomes accompanying the domestic recovery. But for a country like Canada it is the obligatory bonded indebtedness which is apt to prove a real source of embarrassment in bad times. The decline in the external debt was therefore regarded as a source of strength for the future. Moreover, it was reasonable to expect that, failing some unexpected catastrophe in export markets, the reduction of external indebtedness would continue. In the absence of another developmental boom it seemed unlikely that Canada would resume the importation of capital goods which was such a conspicuous feature of the boom periods previous to 1930. At the same time the development of Canadian secondary industry had reached a point at which domestic manufacturers are capable of supplying a much larger proportion of the requirements in the way of consumers goods than in earlier

<sup>1</sup> See *The Canadian Balance of International Payments: A Study of Methods and Results* (Dominion Bureau of Statistics, Ottawa, 1939). This presents, *inter alia*, a new and detailed study of international capital movement, 1927-37.

decades. For these reasons the volume of imports seemed likely to be more stable than formerly. So long, therefore, as the export trades prospered, a continuance of a favourable balance of payments was almost certain, and this could only give rise to a further reduction of external debt, or to an increase in foreign assets held by Canadians.<sup>1</sup>

<sup>1</sup> With the outbreak of war, the elements governing the volume, type, and direction of both commodity and capital movements have changed substantially. In view of this some modification of these remarks is called for. However, the net results in terms of debt-repatriation may not differ enormously from that discussed herein.



## IX. THE FOREIGN EXCHANGES

IN view of the strength of the favourable balance of payments on current account it is not surprising that the Canadian dollar was well maintained in New York during the period under review, despite the weakening of sterling which took place in 1938. In 1937 fluctuations in the value of the Canadian dollar were narrower than in 1936, the range being only about  $\frac{1}{2}$  per cent. against New York and  $3\frac{1}{8}$  per cent. against sterling. Early in 1938, sterling began to fall in New York, the decline being most precipitous during and after the Munich crisis. By the end of the year sterling had dropped from a premium of over 3 per cent. to 4 per cent. below par. Ordinarily one might have anticipated a marked decline in the exchange value of the Canadian dollar, which has hitherto tended to take a position roughly midway between the pound and the United States dollar.<sup>1</sup> In fact, however, the Canadian dollar rarely dropped below a discount of one per cent. in New York, the most marked decline occurring in the summer of 1938, when the discount was slightly in excess of one per cent. Thereafter, the discount virtually disappeared and the day-to-day fluctuations were remarkably small. The strongly favourable current balance of payments and the influx of capital, combined with a good credit position for the Dominion government, served to offset the influence of sterling on the value of the Canadian dollar in New York.

During the latter part of 1938, therefore, sterling tended to fall in Canada as in New York. In December 1938, the average discount was about 3 per cent., as compared with a

<sup>1</sup> See A. F. W. Plumptre, *Central Banking in the British Dominions* (Toronto, 1940) and J. F. Parkinson, "The Mechanism of International Adjustment" (with special reference to the Canadian dollar) (in *Canadian Investment and Foreign Exchange Problems* ed. J. F. Parkinson, Toronto, 1940).

premium of 2.71 per cent. twelve months previously. By January 1939, the rate had fallen to \$4.69, a discount of roughly 4 per cent. Naturally the depreciation of sterling involved a reduction in the returns obtained from Canadian exports to Great Britain, and Canadian competition with countries whose currencies were linked with sterling was adversely affected. However, as pointed out, this situation has not influenced the Canadian-New York rate, and there was no disposition in Canada to see this rate depreciate seriously. Apart from the disadvantages arising from the debt-services, it was probable that the Washington administration would have regarded any marked depreciation of the currency as injurious to the spirit of the trade agreement. Moreover the existence of a firm exchange position contributed to the reduction of interest rates in Canada, and the advantages of this situation, accruing through the reduction of governmental debt charges, were highly prized—and properly so—by the Ottawa authorities.

## X. ECONOMIC RAPPROCHEMENT WITH THE UNITED STATES

THE most significant developments in the field of external economic relations in recent years relate to the several trade agreements concluded, first in Washington in 1935, then in London in 1937, and again in Washington in November 1938. In a sense this last agreement represented the culmination of the commercial policy begun by the present Canadian government soon after its return to office in 1935. In effect that policy may be said to have had a three-fold objective: to assist the depressed export regions of Canada by a reduction of tariffs on imports of manufactured goods, particularly on goods which had been given additional protection by the tariff increases of the previous government; second, to expand the foreign markets for the staple exports of Canada by the negotiation of trade agreements, and, third, to restore better trading relationships with the United States. All three objectives, of course, were inter-related, and all involved a revision of the policies and methods entered upon by the Bennett government in 1930. Practically all of the alterations in the Canadian tariff structure in recent years have therefore arisen out of these agreements. In the twenties such tariff reductions as were required were usually made as part of the annual budget arrangements, and were unilateral in character. In recent years the practice has been to postpone any intended reductions of tariff until they can be used to extract some *quid pro quo* from another negotiating country.

A beginning was made in the Canada-United States trade agreement, signed November 15, 1935, which went into effect on January 1, 1936. Under that agreement the United States was granted Canada's conventional tariff rate (intermediate between the British preference and the general tariff).

Hitherto, the United States, although the principal source of Canadian imports, had been the only important trading country with which this country did not exchange most-favoured-nation treatment.

The granting of treaty rates on imports from the United States in itself had the result of lowering the effective protection given to many Canadian secondary industries,<sup>1</sup> as well as improving the competitive position of the United States in relation to that of other countries exporting to Canada. Commodities particularly affected by this form of tariff reduction included most of the textile classifications, some iron and steel products, engines and boilers, rubber manufactures, and boots and shoes. In addition, however, Canada granted further concessions to imports from the United States. Three classes of concessions were granted: reductions in duty, the binding of existing duties against increase, and the binding of continued free entry of commodities already on the free list. With regard to all three types of concession, the doctrine of principal supplier was applied. That is to say, concessions were only granted on commodities of which the United States was Canada's principal supplier. This doctrine is, of course, written into the legislation governing the United States trade agreement programme, and had also been applied, in effect, by Canada much earlier in her trade agreements with France. The intention behind the practice is, obviously enough, to avoid making concessions the benefits of which might accrue mainly to some third country. If such concessions are to be given, they are reserved for the occasion of a separate agreement, when a *quid pro quo* may be demanded.

<sup>1</sup> Rates of duty under the intermediate tariff are ordinarily  $2\frac{1}{2}$  to 5 per cent. below the general rates, while treaty rates (that is, rates agreed upon under certain trade agreements such as that with France, and automatically granted to all countries to which Canada grants most-favoured-nation treatment) carry a wider margin below the general rate. Now that the United States agreement has been widened (1938) to cover a larger variety of imports, the treaty rates of duty constitute the only significant classification, apart from the British preferential rates. Under the 1935 agreement the United States recognized the existence of the British preferential tariff as excluded from the obligations of most-favoured-nations, while Canada recognized the right of the United States to give preferred tariff treatment to its various territories and possessions or to Cuba.

The most important reductions below the existing intermediate rates made in favour of the United States related to farm implements and machinery, certain types of automobile and automobile parts, gasoline, and clothing.<sup>1</sup> Other important reductions affected fresh and canned fruits and vegetables, iron and steel manufactures, many kinds of machinery and electrical apparatus. The total reductions or bindings of existing duties affected commodities which accounted for about one-third of the dutiable imports from the United States in 1930.<sup>2</sup>

The first Canadian-American agreement also gave relief to American exporters from most of the practices of administrative protection which had been introduced during the depression years. Conspicuous among these was the practice of arbitrary valuation of imports, a device which had been adopted supposedly to prevent dumping, but which had been extended so as to prohibit many imports.<sup>3</sup> American exporters had objected to the unreasonable character of the fixed valuations, and to the frequency of changes made by the customs authorities, which affected such important commodities as automobiles, radios, electrical apparatus, rubber footwear, textile fabrics<sup>4</sup> and clothing, and fresh fruits and vegetables. Under the agreement, or by subsequent enactment, the Canadian government agreed to cancel the "values for duty purposes" already applicable under the system to certain specified goods, leaving in force arbitrary valuations affecting relatively few manufactured articles and some important seasonal valuations on imported fruits and vegetables. When

<sup>1</sup> Thus the old general tariff on agricultural machinery was 25 per cent. The new treaty rate was  $12\frac{1}{2}$  per cent. (compared with the former intermediate rate of 20 per cent.). Automobile duties were reduced from 20-40 per cent.—the higher rates applying to certain high-priced cars—to a flat  $17\frac{1}{2}$  per cent.

<sup>2</sup> *The Trade Agreement with Canada*, Report no. III, second series (U. S. Tariff Commission, Washington, D.C., 1936). It was also estimated that one-third of the value of commodities entering Canada free of duty in 1930 were bound free under this agreement.

<sup>3</sup> Arbitrary valuations placed upon imports entitled to the British preference had been abandoned under pressure of the United Kingdom in November 1932.

<sup>4</sup> See *Report of the Royal Commission on the Textile Industry* (Ottawa, 1938).

account is taken of this concession, as well as of the actual duty reductions, the reduction of import charges on commodities affected by the treaty ranged from about 25 to 50 per cent.<sup>1</sup> and abolished a good deal of the added protection granted to the industries concerned during the depression years. Other concessions included a less elastic definition of the term "goods of a class or kind made in Canada", against which higher import duties apply, and a promise of legislation, since implemented, to permit residents of Canada visiting the United States to bring back free of duty articles for personal use to a value of \$100.

The more significant concessions obtained by Canada included reductions of duty on some important natural products, including cattle, calves, dairy cows, cream, cheese, seed potatoes, fish, and lumber. In some cases the reduction of duties was up to the maximum permitted by the American enabling legislation, namely, 50 per cent. However, for certain products such as cattle, lumber, milk, and potatoes, the safeguarding of the domestic industry in the United States was provided for by the adoption of tariff quotas. Thus, the reduced rate of duty (2 cents a pound) on cattle weighing over 700 pounds was made applicable only to an annual import quota of 156,000 head,<sup>2</sup> which was less than 1 per cent. of the average annual slaughterings in the United States. Imports into the United States in excess of the quota paid the old duty of three cents.

It is probable that both parties to the agreement regarded it as only a beginning in the direction of freer trade—as a step towards the restoration of the conditions prevailing before the Smoot-Hawley tariff of 1930 and the Anglo-Canadian agreement made at Ottawa in 1932. On the American side the opposition of the agricultural groups in the Middle West compelled the administration to walk warily in the matter of concessions on natural products. On the Canadian side,

<sup>1</sup> *The Trade Agreement with Canada*, p. 8.

<sup>2</sup> As a result of the operation of the United States most-favoured-nation arrangements, Mexico managed to derive part of the benefit of this quota in subsequent years.

Canada's commitments to the United Kingdom in the form of bound margins of preference on many manufactured goods stood in the way of any great extension of concessions to the United States. Moreover, among domestic industries, vested interests had grown up under the stimulus provided by the high tariffs of 1930-5, so that it was felt necessary to refrain from drastic tariff reductions for the time being. As events transpired, Canadian manufacturers were more than compensated for the small loss of protection by the rapid increase in national income which occurred in 1936 and 1937, while the results of a severe drought in the United States cattle region placed the question of protection of that industry temporarily in the background. While it is impossible to separate the effects of the trade agreement from that of other influences, it is worth recording that while in 1937 total Canadian exports to the United States were roughly \$100 million (or 28 per cent.) higher than in 1935, exports of goods subject to a reduction of duty under the 1935 agreement showed an increase of 81 per cent.<sup>1</sup> Likewise, Canadian imports from the United States in 1937, at \$490 million, were \$178 million higher than in 1935. The onset of business recession in the United States in 1938 was, of course, the predominant influence behind trade in that year.

<sup>1</sup> Total exports to the United States in 1937 were \$460 million. The scope of the agreement may be illustrated by the following subdivision of the total: Goods subject to a reduction in rate, \$65 million; goods bound at existing rates, \$3 million; goods bound to free entry, \$189 million; items not affected by the agreement, \$203 million.

## XI. REVISION OF THE CANADA-UNITED KINGDOM TRADE AGREEMENT, 1937

THE opportunity for a further application of the government's trade policy came in 1937 when the Canada-United Kingdom trade agreement of 1932 was due to expire. Negotiations for a new agreement were commenced in London in the summer of 1936, the objective of the government of Canada being, in the words of the Minister of Finance, "not to capture but to hold the most valuable market this dominion has ever known".<sup>1</sup> A new agreement was signed in February 1937, and ratified by the Canadian Parliament a little later. In many respects the new agreement resembled the old one, at least superficially. Certainly the principle of imperial preferences was not challenged. Canada continued to enjoy most of the valuable preferences in the British market which she had obtained in 1932. But there were significant differences between the two agreements. For example, the Ottawa Agreement had created preferences for Great Britain by the device of raising duties against non-British countries. This agreement on the other hand created additional margins of preference by reducing the duties on British goods, leaving the intermediate rates unchanged. Moreover, provision was made in several ways for the possible reduction of the preferences to the advantage of other countries in the future by the relaxation of the arrangements affecting bound margins of preference.

In defence of the agreement, the Minister of Finance declared: "a successful effort has been made to bring the policy of British Preference . . . into closer alignment with the trade policy to which this government stands committed. The

<sup>1</sup> This and subsequent quotations in this section from Mr. Dunning's budget address, Feb. 25, 1937. He added that as a result of negotiations, the ground which had been won over many years "has been held and consolidated at a minimum of cost".



present agreement is in no sense a simple renewal of the trade agreement between Canada and the United Kingdom signed at Ottawa in 1932 . . . throughout the negotiations which resulted in the present agreement, the Canadian government has insisted on broadening the opportunities of international trade, without impairing the practical effectiveness of the British Preferential system." And he added: "The goal of both the United Kingdom and the Canadian governments in intra-imperial, as in international trade, is the lowering of tariff barriers and the freeing of trade from fettering restrictions, and the preamble to the agreement is evidence of a new emphasis on the importance of increasing the volume of international and imperial trade, and a departure from some of the earlier forms of preferential policy, which were too much concerned with diverting a diminishing volume of trade into unfamiliar and uneconomic channels."

Turning first to the concessions granted by Canada, the agreement (Schedules iv and v) listed 425 tariff classifications on which Canada agreed not to increase the rates of duty against British goods in excess of those set forth. Of these items, 246 represented a binding of existing rates as the maximum possible during the life of the agreement,<sup>1</sup> while in the case of other items, the rates of duty on British goods were reduced. This latter was described by the Minister of Finance as "the most extensive downward revision of duties on United Kingdom products made at any one time since the inception of the British preference". However, a reference elsewhere to the fact that these lower-duty goods were responsible for British imports of only \$28 million (1935-6) diminished the force of this statement. The items subject to reductions of British preferential duty rates included many processed food-stuffs familiar in British export trade, paper products, paints, clay and earthenware, glassware, some primary and secondary products of iron and steel, machinery, cotton goods—printed, dyed, and coloured fabrics of types not made extensively in Canada—woollen goods including yarns, blankets, and wool

<sup>1</sup> This is not the same as binding an existing margin of preference, since it does not preclude future reductions in the treaty or intermediate rates. As such it is not so offensive to other countries.

and worsted fabrics in the grey, as well as some artificial silk goods, knitted garments, carpets, leather goods, and a wide variety of miscellaneous products.<sup>1</sup> The concessions applied mainly to items not found in the list of concessions granted to the United States in 1935.

These reductions of duty against imports from the United Kingdom were automatically made available to other British countries by naming them as British preference rates. This practice of granting to the whole Commonwealth any reductions in duty granted to any one Empire country has been followed by Canada for many years now. The minister explained that "this principle is so desirable that, in this instance, the government is disposed to apply it without exception, in spite of the fact that there are involved one or two items in respect of which the chief beneficiary may be an empire country which affords no preference to Canada".<sup>2</sup>

The other significant feature of the agreement was the reduction in the number of British commodities on which Canada agreed to maintain fixed margins of preference. Under the 1932 agreement, 215 tariff items in the Canadian tariff had been subject to this restriction.<sup>3</sup> As events were to prove, this

<sup>1</sup> Some typical reductions, chosen almost at random, were as follows:

377f. Hot rolled bars or rods of iron or steel, \$4.25 per ton reduced to free.

383 Coated or corrugated sheets of iron or steel, 7½ per cent., 7½ per cent., and 15 per cent. reduced to 5 per cent., 5 per cent., and 10 per cent.

396a. Cast iron or steel pipe, n.o.p., 5 per cent. reduced to free.

432 Hollowware of iron or steel, 20 per cent. reduced to 10 per cent.

551 Woollen yarns, 15 per cent. plus 11¼c per lb. reduced to 15 per cent. plus 6c per lb.

553 Blankets, 22½ per cent. plus 10c per lb. reduced to 20 per cent. plus 5c per lb.

558 Knitted garments, n.o.p., 25 per cent. reduced to 20 per cent.

<sup>2</sup> But he added that "in such instances it lies within the power of the Governor General in Council to withdraw from any non-reciprocating empire country the preferential treatment now voluntarily extended to it".

<sup>3</sup> In 1932 the margin of preference in favour of the United Kingdom had been raised to a considerable degree by raising the intermediate and general tariff, coupled in some cases, by raising the actual rates of duty against goods from the United Kingdom.

undertaking made it impossible for Canada to grant sufficient worthwhile concessions to third countries—this being particularly true of the negotiations with the United States in 1935. A further disability attaching to the granting of fixed margins of preference was said to lie in the fact that they helped to maintain the prices of imported or domestic commodities at unduly high levels, either because they prevented any subsequent lowering of duties even when the British were unable to make any use of the preference, or because British exporters sometimes took advantage of the preference to maintain prices at non-competitive levels. For all these reasons, the decision was taken to reduce the number of items subject to fixed margins of preference to 91.<sup>1</sup> Furthermore, in the case of 21 of the remaining items the size of the margin was reduced.<sup>2</sup>

Of course the effect of reducing the duties on the 179 items referred to above was to widen the margin of preference, but in no case was this the result of an increase in the rate of duty against third countries. Moreover there was nothing to preclude a reduction of the margin of preference by subsequent concessions by way of lower duties to third countries. Regarding the items on which Canada was no longer bound to maintain fixed margins of preference, the Minister of Finance explained that among them were many which would be of great value in trade negotiations likely to be entered upon with other countries. He also declared that in contrast with the arrangements made in 1932 the remaining fixed margins of preference applied to goods which (with the exception of certain primary iron and steel products) were not manufactured in Canada, so that the duties entailed no element of protection for domestic interests.

In addition to the limited list of fixed margins of preference, provision was made for sliding margins of preference on certain United Kingdom goods which were not of a class or kind made

<sup>1</sup> Thereby achieving "a radical and far reaching revision of the restrictions which its predecessor put upon the freedom of Canada to negotiate for the reciprocal reduction of tariff rates with third countries".

<sup>2</sup> Bound margins of preference thereafter applied to goods of which the value of imports from the United Kingdom in 1936 was \$37 million.

in Canada, but this obligation was in fact to be terminable at any time by the reduction of the British preferential rate to free entry. Another clause left either government free to suspend or modify any of the margins of preference if it was satisfied that a monopoly or combine of exporters was attempting to exploit the domestic consumers of the other country by virtue of these preferential arrangements. Another provided for the regulation of Canadian dumping into the United Kingdom, where and if this was found to exist.

A conspicuous omission from the new agreement was the absence of any reference to the arrangements provided for under the old agreement under which Canada had agreed to maintain duties against the United Kingdom only sufficient to equalize the competition between British and Canadian manufacturers.<sup>1</sup> Under the earlier agreement Canada had also undertaken to instruct the Tariff Board to review the duties on products of the United Kingdom in accordance with these principles, and not to increase such duties except in accordance with the findings of the Board. During the intervening period numerous references had been submitted to the Tariff Board at the request of the British government acting on behalf of British manufacturers, and minor changes (mostly reductions) in duties were made after investigation.<sup>2</sup> It was apparent however that the formula itself was difficult to interpret while the right of appeal to the Tariff Board given to the United Kingdom was both one-sided and unnecessary in a country which "has sufficient interest in maintaining an efficient and law-abiding customs administration". These provisions were therefore dropped in the 1937 agreement.

The new preferences granted by the United Kingdom on Canadian imports were comparatively small. This was because

<sup>1</sup> Under the 1932 agreement the preferential duties were not to exceed such a level "as would give United Kingdom producers free opportunity of reasonable competition in Canada on the basis of the relative cost of economic and efficient production, with special consideration to be given to industries not fully established" (Art. 13, *Canada-United Kingdom Agreement*, 1932).

<sup>2</sup> Thus, in 1936 the Board reported in favour of reductions in duties upon British yarns and fabrics of cotton and artificial silk, after a lengthy inquiry into relative costs of production.

the original preferences granted in 1932 probably exceeded those granted by Canada. Government spokesmen emphasized the value to Canada of the renewal of the assurance of unrestricted entry into the United Kingdom of Canadian natural products. The belief was widely held in Canada—and with good reason—that during the recent epoch of intense economic nationalism, free access to the enormous British market was essential to the survival, let alone the prosperity, of many of the staple industries of Canada. Mr. Dunning was therefore able to argue that:

We have kept open for a further term of years a door that once seemed to be rapidly closing. It is a matter of common knowledge that British industrial interests, with appetites edged by their recent taste of tariffs, are anxious to round out their present protective system by the imposition of duties on manufactured goods imported from Canada. Nor are British agriculturalists by any means reconciled to the continuance of free entry for empire produce. The fact that, in spite of the influence of these powerful economic groups, the government of the United Kingdom was prepared to renew the assurance of free entry for Canadian produce is evidence of their appreciation of the magnitude and value of the reductions in duty on United Kingdom goods contained in Schedule IV to the new agreement.

The maintenance of free entrance to Britain for such important exports as wheat, lumber, apples, canned fruits and salmon, meats and bacon, was therefore the principal concession obtained by Canada.

However, the reference to industrial protection in the United Kingdom serves to remind one of the fact that that country is an important and, of course, a preferred outlet for many Canadian iron and steel products, automobiles, machinery, and manufactured goods of many kinds. While the export of natural products (raw and processed) to Great Britain is of crucial importance to Canada, the trade is no longer an exchange solely of raw materials for finished goods. For many Canadian manufacturing industries the export of a small share of the total output is essential to profitable production; in others it is crucial to the existence of the industry.

The absence of duties against imports of manufactured goods entering the United Kingdom from Empire countries therefore operates as a valuable preference in favour of certain Canadian industries.

On several items of the small list of goods on which the United Kingdom maintained duties against Empire products, promise of reduction or stabilization of existing duties was incorporated in the agreement. Thus, the reduction of duty on natural silk stockings involved an extension of the margin of preference to an industry which had been supplying an increasing share of the needs of the United Kingdom while "the assurance that neither the duty on motor cars and their parts, nor their content qualification for preferential treatment, will be increased without the consent of the government of Canada, will remove two sources of uncertainty which have caused a major export industry a great deal of anxiety".<sup>1</sup>

A third type of concession involved a promise of the maintenance of bound margins of preference on Canadian goods, a feature also of the 1932 agreement. However, the list (Schedule III) did not include any articles which were not bound in one or other of the Empire agreements of 1932. In the various agreements reached at Ottawa a number of Empire commodities received guaranteed margins of preference. In some cases the same guarantee formed part of several separate agreements. In others, while the margin might only be guaranteed to one Dominion, the benefits were extended to the others, of which Canada was sometimes the principal supplier.<sup>2</sup> In the new agreement the bound margins were specifically guaranteed to Canada during the term of the

<sup>1</sup> It is also to be noted that the agreement provided for the first reduction in tariff duties by the United Kingdom since it went over to protection, most of the earlier agreements with other countries having confined their concessions to a binding of existing rates.

<sup>2</sup> Thus the margin on honey was bound in the New Zealand agreement of 1932, but not in the Canadian agreement, although Canada sends more honey to the United Kingdom than New Zealand. Or again, the margin on chilled and frozen salmon was bound in the Newfoundland agreement, although Canadian exports to the United Kingdom are equally large.

agreement, the presumption being that this would make doubly certain of the continuation of the preference. It may be added that the preferences enjoyed by Canada (and the other Dominions) are as a rule about 10 per cent., and rarely over 15 per cent., in terms of ad-valorem rates.

The preferences on bacon, hams, cattle, and beef, were subject to special treatment, as in 1932. Under the bacon quota given to Canada in 1932 exports of bacon and hams have increased steadily and this privilege has come to be regarded as particularly valuable to Canada, since the United Kingdom is the only important import market for bacon in the entire globe. The renewal of the arrangement granting Canada free entry up to 2½ million cwt. per annum was therefore highly valued. Similarly the guarantee that no import duties would be levied against Canadian cattle and beef was renewed, while the value of this concession had already been increased as a result of the application in December 1936 of a duty of 1½ cents per lb. on foreign chilled beef and a proportionate duty on foreign frozen beef entering the United Kingdom.<sup>1</sup>

In considering the concessions towards freer international trade made by Canada, it seems fair to say that the greatest contribution lay not in the actual reductions of duty—many of which amounted to only 2½ or 5 per cent.—but in the relaxation of the British preferences. The results of this were seen later in the second agreement made between Canada and the United States. At the same time such bound margins of preference were to last only for three years (instead of five). Moreover, in view of the fact that United States goods had been made dutiable only at intermediate (or treaty) rates since the beginning of 1936, the margin of British preference

<sup>1</sup> In view of the United Kingdom's plans for the quantitative regulation of meat imports, the agreement specified that Canadian cattle and meat were to be allowed in free of duty only so long as the annual shipments did not exceed "recent levels"—the term being interpreted to mean the levels of 1933 and 1934, when Canadian exports at roughly 50,000 head of cattle were fairly high. In the same way, bacon imports within the quota (which had never been fulfilled by a wide margin), were to be admitted free of duty so long as the rate of expansion did not become so abnormal as to endanger the British domestic market.

had already been effectively reduced in many cases. The reductions in rates of duty which went into force under the new agreement did little more than compensate for this action. The question whether, as a result of these agreements (as well as of the new Canada-United States agreement of 1938), the margin of British preference is as high as it was in, say 1929, is difficult to answer. During the period from 1930 to 1937 there were some four or five hundred alterations or additions to the separate tariff classifications. Obviously, the revisions of 1930 and 1932 resulted in a marked widening of the preference, but they also added to the protection given to Canadian industry against imports from the United Kingdom as well as from other countries. The revisions of 1935, 1937, and 1938, however, went a long way towards restoring the rates which prevailed before 1930, and in some cases even further. Whether this meant that both protection and preferences were greatly reduced is impossible to say. The answer would require an appraisal of the new balance of costs between domestic and external manufacturers, as well as a proper weighting of the separate changes in customs duties. The difficulties of such a task seem well-nigh insuperable.



## XII. OTHER TRADE AGREEMENTS

SEVERAL other trade conventions were adopted in 1937. As a result of negotiations in Moscow in 1936, the Soviet government rescinded an order of April 20, 1931, which had prohibited its trading organizations from purchasing any goods of Canadian origin, as well as from chartering Canadian vessels. Canada on her part agreed to rescind the order in council of February 27, 1931, which had prohibited the importation from the Soviet Union of wool, wood-pulp, lumber, asbestos, and dried furs.

A Convention of Commerce between Canada and Poland, signed in 1935, was brought into operation in 1937. This agreement provided for the exchange of most-favoured-nation treatment. In addition, both countries granted specific concessions. For Canada this took the form of a reduction of duties below the existing intermediate rate for a small list of goods which Poland exports. In return, Poland granted lower rates on Canadian herrings, salmon, wood-pulp, and a few other minor products.

A new arrangement was also made with Brazil in 1936, the old agreement having been cancelled by Brazil in pursuance of her decision to cancel all old trade agreements. Following negotiations, Canada retained the benefit of the Brazilian minimum tariff on all goods, in return for granting to Brazil the Canadian intermediate tariff.<sup>1</sup>

An agreement made with Uruguay in 1936 provided for exchange of most-favoured-nation treatment, applicable to

<sup>1</sup> With most foreign countries Canada has agreements granting mutual most-favoured-nation treatment, requiring the application of intermediate rates and such special treaty rates as may exist. With a few countries (Brazil, Germany) intermediate rates only are granted. The principal countries still subject to the general or highest tariff column are Mexico, China, Turkey, and the U.S.S.R.

the allocation of Uruguayan customs and exchange quotas as well as to tariff rates.<sup>1</sup> Uruguay granted Canada her normal tariff, which is substantially lower than that applied to non-reciprocating countries. Canada formerly gave Uruguay the intermediate tariff only.

Another commercial treaty made during these years was the provisional trade agreement concluded with Germany in 1936. Under this each country conceded to the other the familiar guarantee of most-favoured-nation treatment. To meet the special circumstances involved in the quantitative regulation of trade by Germany, this was supplemented by a "payments agreement". This provided that all exchange accruing from German exports to Canada should be made available for the purchase of Canadian goods. This arrangement appears to savour of bilateralism, a form of trade control which is prejudicial to any revival of world trade, and which as practised in Europe has been inimical to the trading interests of Canada. Why then should Canada appear to countenance the practice by a payments agreement? The answer is that in this case the result of Germany's trading methods (including exchange rationing) had effectively nullified the operation of the most-favoured-nation clause, so that certain specialized products and regions of Canada, which had come to depend almost entirely on the German market, found their external outlets completely closed.<sup>2</sup> Thus by 1935 exports to Germany were at less than one-tenth of the 1929 levels, and the balance of trade, which formerly was strongly in Canada's favour, was now adverse. Canada was therefore in a position

<sup>1</sup> Comparatively few trade agreements with foreign countries in this period (the exceptions being those with the United States, France, Poland, and of course, British countries) provided for special reductions of tariff below the existing intermediate or treaty rates. The reason is that in few cases do foreign countries constitute the principal source of supply for specific Canadian imports. In some cases the British preference stands in the way of possible concessions. In the American case this problem had to be tackled; the United States market was too important to be jeopardized. However, consultations were continually going on with certain important export markets looking towards wider trade agreements.

<sup>2</sup> It is also believed that some Canadian exporters found it impossible to transfer funds derived from exports to Germany out of that country.

to bargain and unable to maintain a purist attitude in the matter of general trade policy.<sup>1</sup> The payments agreement (the supervision of which was left to Germany) ensured that Canada would sell to Germany as much as she bought from that country.<sup>2</sup> Moreover, to meet the needs of the industries specially affected by the decline of German purchases, it was agreed that certain fixed percentages of the total amount of exchange available to Germany were to be devoted to the purchase of such commodities as wheat, apples, cheese, honey, fish, fox skins, asbestos, and lumber. As it happened, German purchases of metals, pulpwood, apples, etc., increased so markedly in 1937-9 as to give Canada a favourable balance of trade, Canadian exporters being paid in free exchange, so that no complaints with respect to the treaty were voiced in this country.

<sup>1</sup> The United Kingdom had concluded a number of payments agreements; the United States would have nothing to do with this form of bilateralism.

<sup>2</sup> But not necessarily the reverse as would be true of a clearing agreement.

### XIII. THE SECOND CANADA-UNITED STATES TRADE AGREEMENT, 1938

THE first reciprocal trade agreement with the United States operated so satisfactorily that both governments were anxious to negotiate a more extended agreement. At the same time a combination of circumstances pointed to the desirability, on the part of Canada, of an extension of trade with the United States. At the time when negotiations began, in 1937, the American boom had not spent its force, while in the United Kingdom business had begun to slow down. For the time being, at least, further recovery in Canada seemed to hinge on the American market. To the Province of British Columbia the slackening of the British demand for lumber consequent upon the decline in the housing boom made the nearby market of the United States look particularly attractive. In the Prairie Provinces, the severe economic distress occasioned by another drought, and the feeling that fiscal burdens were unfairly distributed between the various regions, reinforced the freer trade sentiments of that area, and these demands were echoed by the other exporting regions. It was argued that a larger market for cattle in the United States would raise prices and assist in the extension of mixed farming in some areas of the West. The Maritime Provinces were also keen to obtain bigger markets for their fish and potatoes.

In other words, the political sentiment of the predominantly exporting regions of the country—whence the Liberal party had formerly drawn its main support (except for Quebec)—was strongly in favour of a policy which would expand the American market for Canadian goods. Moreover, the representatives of these regions were becoming increasingly restive under what they felt were the disabilities of the federal system—the tariff, freight rates, the unfair distribution of

taxing powers and responsibilities between the Dominion and the provinces, etc. At the same time, the political opposition to lower tariffs, hitherto centred in Ontario and Quebec, was not as strong as it had been in previous decades, because these provinces themselves had become increasingly interested in the export trade—and particularly in the export trade with the United States. Since 1914 an entirely new economic region has developed in northern Ontario and Quebec, based upon the production of wood-pulp and newsprint and the non-ferrous metals (including gold), which find their markets mainly in the United States. These industries, unlike the secondary industries of the central region, do not profit from a protective policy, and serve to counteract the protectionist sentiment of the older regions of Ontario and Quebec.<sup>1</sup> For this reason alone, the province which had been the spearhead of the opposition to reciprocity with the United States in 1911 and thereafter, had accepted the trade agreement of 1935 with little protest, and was now anxious to maintain the American market.

Moreover, the negotiations in 1935 had failed to clear up all points of dispute between the two countries. On the American side, what was felt to be the unreasonable discrimination involved in the working of the British preference still remained, while the reduction of many of the fixed margins of preference in 1937 had now given Canada the chance to bargain for the removal of this disability. Secondly, the special excise tax of 3 per cent. levied on all imports in 1931, which was in effect an addition to the customs duty, was still operative against the United States, although British imports had been exempted from this for some years. Canadian exporters, on the other hand, were anxious for such reductions in American tariffs as would restore the rates to the levels prevailing before the Smoot-Hawley tariff of 1930 and, in the

<sup>1</sup> Unfortunately, unlike the manufacturing groups and the railways, they have no stake in the West at all, so that the former economic unity between East and West has been severely weakened. See K. W. Taylor, "The Commercial Policy of Canada" (in *Canadian Marketing Problems* ed. H. R. Kemp, Toronto, 1939).

case of lumber, wanted a relaxation of certain marking requirements and excise duties which had served to operate as a super-tariff. From the Canadian point of view, however, possibly the most important consideration behind the negotiations was the desire to give all the support it possibly could to the policy of freer world trade which Mr. Cordell Hull's programme of reciprocal trade agreements was intended to foster. The success of the American trade programme required the completion of an agreement between the United Kingdom and the United States. Canada's interest in the revival of world trade dictated that she should do all she could to facilitate such an agreement, even though it involved making further inroads upon the system of British preferences erected at Ottawa in 1932. Indeed, before the negotiations began, it was self-evident that some such compromise with the policies of 1932 was an essential part of any new bargain with the United States. If that country were to obtain concessions in the United Kingdom these would inevitably cut into the Canadian share of the market, since in many cases (bacon, lumber, fruit, etc.) Canadian and American exports are competitive. But it would not be easy for Canada to relinquish these preferences unless she were to be given new concessions on the same products by the United States. On the other hand, if the United States were to reduce her duties on British manufactures, she would find it politically (if not economically) essential to gain access to the alternative market of Canada (or the other British Dominions).

Once the United Kingdom had agreed to negotiate with the United States, Canada was also concerned, of course, with the problem of harmonizing the two treaties. For example, while Canada was primarily interested in the market for natural products, her exports of manufactures came into the picture; Canada could not afford to reduce her duties against certain American imports if at the same time the British market for the same Canadian product were to be narrowed as a result of concessions made by the United Kingdom to the United States. It is probable that all these considerations were discussed with the United Kingdom during the visit of the Canadian and

other Dominion ministers to London in 1937 at the time of the coronation. At all events, there is no doubt as to the triangular character of the negotiations in Washington in 1938; in certain respects the interdependence of the two agreements was specifically provided for, and in others it may be easily inferred. Needless to say the tense international political situation in 1938 made the signing of an agreement with the United States highly desirable to the United Kingdom, while the two North American nations were being drawn more closely together by the supposed needs of a common defence against possible aggressors, and—on Canada's side—by the desire to facilitate closer Anglo-American relations. Sympathetic as Canadian public opinion was to the political needs of the United Kingdom in the international situation, the government was able to point to the Canadian-American treaty as a contribution to the improvement of those relations.

As a result of the complex nature of the triangular adjustments involved, the negotiations were long drawn out. A new agreement was finally signed on November 17, 1938, simultaneously with the signing of an agreement between the United States and the United Kingdom. The Canadian agreement resembled that of 1935, but it was much wider in scope. The mutual concessions made in 1935 were renewed and new ones were added. The concessions obtained by Canada included numerous reductions in duty and a relaxation of some of the tariff quotas, together with further bindings of existing duties against any increase during the three years of the agreement. The commodities on which new concessions were obtained included most agricultural products (except wheat, flour, corn, and vegetables) as well as fish, lumber, and lumber products. Some of the tariff quotas granted in 1935 were expanded, while in others the relevant duties were lowered. On heavy cattle, however, the duty was lowered by the maximum amount possible, to 1½ cents, and the tariff quota increased to 225,000 head per annum. For calves the 1935 concession was renewed and the quota nearly doubled.<sup>1</sup>

<sup>1</sup> As a result, shipments of beef cattle and calves to the United States in 1939 were approximately double those of 1938.

For seed potatoes also the duty was reduced and the relevant quota doubled. The existing quota limitations applicable to Canadian exports of dairy cattle, Douglas fir and western hemlock lumber were dropped entirely. Among the dairy products the maximum reduction was made in the duty on cream and milk, the tariff quota limitations, however, being continued; the duty on cheese was also reduced. In view of the strength of the lobby conducted by the American dairy interests, this was probably all that could be done in this case. For fish and potatoes the maximum reductions were obtained. The concession most featured by the Canadian government related to lumber and shingles, the treatment of which had given rise to dissatisfaction in Canada ever since 1930. Prior to that date Canadian lumber entered the United States free of duty. The legislation of 1930, however, imposed a duty of \$1.00 per thousand, and the Revenue Act of 1932 imposed an additional (and prohibitive) tax of \$3.00 per thousand on Canadian lumber. Under the 1935 agreement both the duty and the tax had been reduced by the maximum of 50 per cent., while in 1938, Congress had removed the import revenue tax with respect to certain soft woods (not including fir and hemlock, however). The import taxes on the important kinds of lumber previous to the treaty therefore stood at 50 cents plus \$1.50. The new concessions obtained by Canada included the abolition of the tariff quota on Douglas fir and western hemlock (the import taxes remaining the same), and the exemption of lumber from the requirement of marking with the country of origin. This last concession was more valuable than it sounds because, apart from the expense of marking, this requirement had prevented the use of Canadian lumber on government projects in the United States, at a time when government agencies were probably the greatest single users of lumber. The vexed problem of shingle exports was also diminished by the adoption of a larger and less variable quota, the United States reserving the right to impose a duty on imports in excess of this annual quota. Unlike the other eight tariff quotas which constitute a very small proportion of American consumption, the shingles quota was set at 30 per cent. of this level (based upon the average of the three



preceding years). These reductions were to take effect on January 1, 1939, along with the other revisions.

The second step providing for the possible reduction of lumber duties illustrates the interdependence of the two agreements. The British-American agreement, seeking to meet the American demand for easier access to the British lumber market, provided in substance,<sup>1</sup> for the entry into the United Kingdom of those kinds of lumber of which the United States is an important supplier of British requirements on terms as favourable as those on which Canadian lumber is admitted into the United States market. This meant that while the United Kingdom granted an immediate reduction of duty on certain types of American lumber, the ultimate concessions—which necessarily will be at the expense of the existing Canadian preference—were not intended to go into force until the American import excise tax on Canadian lumber was removed; in other words, not until Canadian producers were assured of proper compensation in the form of wider United States markets.<sup>2</sup> (In July 1939 Congress decided to retain the import tax for the time being.)<sup>3</sup>

Other concessions made to Canada included small reductions in duty on nickel, aluminum, zinc ores, and many non-metallic minerals, as well as on a wide variety of manufactured goods. Newsprint and wood-pulp were again bound free of duty. In summary, the concessions (new and old) were applicable to 80 per cent. of the trade in dutiable goods and

<sup>1</sup> See Annex B to the letter of November 15, 1938, from the High Commissioner for the United Kingdom to the Prime Minister, published as an annexed document to the Canada-United States Trade Agreement. The inter-relationship between the tariff treatment accorded to Canadian lumber entering the United States, and the measure of preferential advantage to be retained by Canadian over American lumber in Empire markets, was set forth in a joint United Kingdom-United States declaration respecting lumber policy issued at the time of the signing of the Trade Agreement.

<sup>2</sup> The complicated arrangements attending the establishment of effective parity of treatment for Canadian lumber in the United States and United States lumber in Empire markets within the framework of the United Kingdom's existing commercial treaties with third countries, are to be found in the joint declaration.

<sup>3</sup> In view of the increase in British imports of Canadian lumber in the first half of 1939, this action gave rise to no complaint in Canada.

to 85 per cent. of the trade in goods on the free list, in terms of 1937 figures. The actual reductions of duty under the latest agreement affected 47 per cent. of the imports into the United States from Canada subject to duty in 1937.<sup>1</sup>

As to the degree to which the American tariff barrier against Canada was lowered, it was said that, taking the two agreements together, the maximum possible reduction of duty (equal to 50 per cent. below the rates established in the United States Tariff Act of 1930) was made in the case of articles which in 1937 constituted about half the value of Canadian exports to the United States which were subject to duty. Other reductions below the 1930 rates were mainly of the order of 10 to 30 per cent. By and large these reductions applied to goods of which Canada is the principal supplier, and very few goods in this category were absent from the list of concessions.

The concessions granted by Canada to the United States consisted, first of all, in the reduction of many duties below the existing treaty rates. Schedule 1 to the agreement lists 283 tariff items on which Canada agreed to reduce the duties, while for an additional 146 items the rates were to be bound against increase. In the case of a further 18 items the rates were both reduced and bound against increase. A second concession was the promise to remove the special excise tax of three per cent. formerly levied upon the duty paid value of imports from non-British countries, which removal was applicable to all the goods comprised in the schedule referred to above.<sup>2</sup>

By virtue of her most-favoured-nation agreements Canada was compelled to extend this concession to most of the other

<sup>1</sup> Canadian government press release, Nov. 18, 1938, p. 13.

<sup>2</sup> In his budget address of April 25, 1939, the Minister of Finance stated that the government had decided to remove this excise tax from all imports entering Canada under any tariff more favourable than the general tariff. To confine the reduction to the list of goods specified in the Canadian-United States treaty would give rise to claims of unfair and discriminatory treatment as between one Canadian industry and another. It was estimated that the removal of the tax would cost the government about \$14 million in direct revenue.

countries with whom we trade. Naturally, this provision involved a reduction of the tariff protection hitherto enjoyed by domestic industries, and might have had significant repercussions on those industries where the margin of protection had already been narrowed in recent years. For example, the automobile industry, with a normal tariff of 17½ per cent., had in fact been protected against imports by a tariff of practically 21 per cent., by virtue of the special excise tax. This industry, which in its infant stages enjoyed a protection closer to 35 per cent., hereafter possessed a tariff protection of only 17½ per cent.

The scope of the reduction or binding of duties referred to above may be indicated by the fact that in the fiscal year 1937-8 the value of imports from the United States under the 447 items affected was approximately \$280 million, or about 58 per cent. of the total value of all imports from that country.<sup>1</sup> Since the bulk of Canadian imports from the United States consists of dutiable commodities, the items on which Canada actually reduced its duties make up a larger volume of trade than do the commodities on which Canada received reductions of duty.<sup>2</sup> Reductions of duty affected about 30 per cent. of the total value of dutiable goods imported in 1937 from the United States. This, of course, is additional to the reductions made in 1935 and renewed in the new agreement. Among the commodities subject to a reduction of duty were fruits and vegetables, some paper products, numerous heavy iron and steel products including tin plate, machinery, and textiles. A number of these concessions were made possible by the concurrence, in advance, of the United Kingdom and the Union of South Africa. Thus lower duties on imports of tin plate, galvanized sheets, diesel engines, aircraft parts, and some other commodities meant a reduction of the margin of British preference already fixed under the agreement with the United Kingdom in 1937.

<sup>1</sup> Canadian government press release, p. 34.

<sup>2</sup> It has been estimated that the reduction of duties affected commodities of which imports from the United States in 1937 were valued at \$80 million. See *The New Trade Agreement with Canada* (Publication 1253, Department of State Press Release, Washington, D.C., 1938).

In these cases the consent of the government of the United Kingdom to the rates agreed upon with the United States had to be secured during the course of the negotiations. The Union of South Africa gave its consent to lower rates requiring a reduction of the fixed margins of preference agreed upon in 1932 and applicable to Indian corn and several kinds of fruit.

Numerous small reductions of duty were made on agricultural products. The political value of this type of concession to the American negotiators is obvious, although with Canadian prices usually below the levels prevailing in the United States, the practical value of this type of concession cannot be great, except in the case of fresh fruits and vegetables. With respect to these two groups Canada retained the system under which seasonal protection is given to domestic growers by means of advances in the dutiable value of imports during the domestic crop season. However, Canada agreed to specify the amount by which import valuations will be raised, and the time during which this enhanced value may apply. Hitherto the indefinite character of this seasonal protection had given rise to dissatisfaction in the United States.

In the iron and steel group the principal commodities subject to reductions or binding of duty were those less elaborated manufactures such as iron and steel rolling mill products, primary forms of aluminum and zinc, as well as farm implements and mining machinery. The n. o. p. rates for machinery were bound at 25 per cent. if of a class or kind made in Canada, and reduced from 20 to 10 per cent. (and bound there) if of a kind not made in Canada. In the textile group cotton products constituted the most important single group to which the reduction or binding of duties applied. In many cases the specific components of the present compound duties were abolished. Many articles used by the construction and building trades were included in the list of items subject to reduction of duty. It may be inferred that this represented an attempt to stimulate the industry by lowering costs of production; in recent years governmental plans to revive this depressed industry have been a feature of public economic policy.

In addition to these direct concessions, Canada also made certain indirect concessions. These arose out of the arrangements which preceded the conclusion of the agreement between the United Kingdom and the United States. In order to permit United States' products freer entry into the United Kingdom it was necessary for Canada—along with the other British Dominions—to concur in the modification of several margins of preference guaranteed under agreements with the United Kingdom. The existing bound margins of preference enjoyed by Canadian products entering the British market were therefore reduced in respect to wheat, lumber, apples, pears, chilled or frozen salmon, and a few other products.

In addition, many other reductions of duty against the imports of the United States operated to reduce the margin of preference hitherto enjoyed by Canada in the British market. The list of such reductions includes some preserved fruits, lard, typewriters, hardwood flooring, and a long list of less important manufactured articles. These articles were all guaranteed duty-free entry in the 1937 agreement, but the margins of preference were not fixed.<sup>1</sup> At the same time reductions of duty against certain products of the United States entering a number of British colonies also operated to reduce the degree of preference hitherto enjoyed by Canada in those markets. Canadian exports particularly affected by this arrangement are automobiles, lumber, and salmon.

The former British preference on wheat (amounting to six cents per bushel) had come to be regarded as of little value to Canada, since the Dominions taken together could not obtain a price in the United Kingdom in excess of that obtained for the surplus which had to be sold in non-British markets. The loss of this nominal preference therefore was not regarded as serious. The reduction of the lumber preference of itself constituted a loss to Canada but, as has been shown, provision was made for compensatory modifications of the United States tariff. Similarly, for other Canadian

<sup>1</sup> For a complete list of all modifications of the British preference, see *Commercial Intelligence Journal*, Ottawa, Nov. 26, 1938.

products which had to forgo the former margin of preference—whether guaranteed or not—freer entry to the United States market was intended in many cases to compensate for increasing American competition in the British market. It should be added that the modifications of Canadian margins of preference in the United Kingdom and colonies—like the modified United Kingdom margins in Canada—are applicable only during the term of the two agreements. According to an exchange of letters made between the two countries, should either agreement with the United States be terminated the former full guaranteed margins of preference would be automatically restored.

And lastly, as a partial offset to the reduction of the preferential advantages, Canadian exports enjoyed immediate tariff concessions in the United States on those products singled out for reduction of duty in the United Kingdom-United States agreement. In this fashion Canada expected to obtain certain advantages even though the United Kingdom was the chief source of supply for the American market. Since the list included 418 reductions of duty, this indirect result of the working of the most-favoured-nation clause was thought to be of significant value to some Canadian manufacturing industries. Similar advantages were also expected by Canada as a result of the reductions in the tariff duties of Newfoundland, or of the margins of protection enjoyed by United Kingdom producers, as provided in the United Kingdom-United States agreement.

The more general provisions of the Canada-United States agreement were very similar to those contained in the earlier agreement. Significant articles included: (a) provision for reciprocal most-favoured-nation treatment with respect to any import quotas which either country might establish, or to the operations of any government purchasing monopoly; (b) safeguards against the impairment of any of the concessions by changes in the general principles now adopted with respect to the valuation of imports for duty purposes; (c) a proviso that should the rate of exchange between the currencies of the two countries vary sufficiently to prejudice the industry

of one of them, the latter may seek to modify the agreement or—failing agreement within thirty days—give notice to terminate the entire arrangement;<sup>1</sup> (d) a proviso that either country may withdraw or restrict a concession if, contrary to expectations, some third country should prove to be the principal beneficiary, threatening serious injury to domestic producers; (e) a disclaimer that nothing in the agreement shall be construed to prevent either government from enforcing measures relating to the movement of gold or silver, or of arms, implements of war and military supplies, or relating to neutrality or war.

Most of the provisions of the agreement came into operation at the beginning of 1939. In the spring of the year a substantial up-turn in business commenced in Canada and continued up to the outbreak of war. As a result exports to the United States grew steadily, being particularly large in the summer months, with cattle exports showing a considerable increase. The expected decline in British demands for Canadian exports, however, failed to materialize, probably a reflection of the heavy expenditures on armaments. However, from any long-run point of view, and without intending any belittlement of the value of the British market, past experience bears eloquent testimony to the crucial importance to this country of freer trade with the United States. Certainly no strong opposition to the agreement with the United States—or to the government's trade policy in general—was discernible in Canada during this period. Naturally the Conservative opposition in Parliament, true to its protectionist tradition, expressed distrust as to the possible effects of lower tariffs on domestic manufacturing industries. Nor could it be expected, in the play of party politics, to refrain from the accusation that the whole system of imperial preferences had been endangered. In reply to the first charge it must be admitted that, assuming a static economic situation, some industries might have been adversely affected by the

<sup>1</sup> The depreciation of the Canadian dollar in New York, which has prevailed since the outbreak of war, has not been officially protested on this score by the Washington administration.

reduction of tariffs. However, all prophecies were worthless, since the outcome was bound to depend, *inter alia*, upon the progress of the export industries and upon the resultant effects upon national prosperity generally. And here the realistic view would be that national prosperity in Canada normally depends to a far greater extent upon the dynamics of the world market—or, more concretely, upon the state of business in the United Kingdom and the United States—than upon any feasible modification of tariff barriers. Tariff adjustments made between Canada and its principal markets influence the regional distribution of national income, but they cannot be expected to create the conditions of domestic prosperity.

On the other hand, it could be argued confidently that Canadian commercial policy, as crystallized in the several trade agreements described above, would determine the extent to which Canada would participate in any economic expansion in world markets which might occur. Thus, in the summer of 1939 it seemed reasonable to expect that, assuming that normal international relationships continued, any further economic recovery in the United States (where the scope for improvement was still large) would redound to the immediate advantage of Canada's export industries. In this event, as in the twenties, the nominal sacrifices to be made by the protected industries would in all likelihood be overshadowed by the larger benefits of an expanding national income. By the same token, should foreign markets contract, depression at home could be expected to lead to opposition to the commercial policy of the government. Actually, of course, the outbreak of war brought an entirely new and unexpected set of considerations to bear on the course of economic policy generally. But these matters lie just beyond the scope of this survey.



PART III  
INTERNATIONAL LAW  
AND DIPLOMACY

*By*  
N. A. M. MacKENZIE

WITH A SECTION ON  
THE INTERNATIONAL JOINT COMMISSION

*By*  
LAWRENCE J. BURPEE



#### XIV. THE INTERNATIONAL JOINT COMMISSION<sup>1</sup>

IN January 1936 the International Joint Commission lacked but one year of a quarter of a century's history. In that time it had dealt with a variety of problems involving the mutual relations and interests of Canadians and Americans along their common frontier. These problems, and how they were disposed of, as well as the significance of the Commission as an unusual agency for the pacific settlement of international questions, have been described elsewhere.<sup>2</sup>

Since the beginning of 1936 the Commission has had before it a number of cases the character and geographical distribution of which illustrate very clearly the extent and importance of its jurisdiction. Before discussing them, however, it will be convenient to say something about another matter that has been a very considerable factor in the successful operation of this international tribunal. Unlike most bodies of its kind, the International Joint Commission consists of an even number of representatives of the United States and Canada with no odd member to act as an umpire. The three Americans are appointed by the President of the United States, and the three Canadians by the King on the recommendation of the government of Canada.

<sup>1</sup> This section was written by Lawrence J. Burpee, Secretary of the Commission.

<sup>2</sup> Joseph Chacko, *The International Joint Commission* (New York, 1932); *Papers Relating to the Work of the International Joint Commission* (Ottawa, 1929); J. W. Dafoe, *Canada, an American Nation* (New York, 1935); P. E. Corbett, *The Settlement of Canadian-American Disputes* (New Haven, 1937); R. A. MacKay and E. B. Rogers, *Canada Looks Abroad* (Toronto, 1938); H. L. Keenleyside, *Canada and the United States* (New York, 1929); Sir Robert Falconer, *The United States as a Neighbour* (Cambridge, 1926); J. M. Callahan, *American Foreign Policy in Canadian Relations* (New York, 1937).

The methods of the two types of tribunal mentioned are illustrated in the Trail Smelter case. The original investigation was carried out by the Commission, the six Commissioners sitting as a court for the receipt of testimony, the American chairman presiding when hearings were held in the United States and the Canadian chairman when they took place in Canada. When all the evidence had been collected and digested, the six Commissioners gathered around a table and discussed it, as well as the arguments on either side, and finally reached a conclusion that they thought—though the farmers who were claiming damages did not entirely agree with them—reasonably satisfactory.

Too much emphasis cannot be put upon the fact that in this, as in all other cases, the six members of the International Joint Commission have carried out their obligations to both countries not as two opposing groups of three but as one group of six, determined, so far as human frailty will permit, to deal fairly and impartially with each matter brought before it, whether the prevailing interests are American or Canadian. In contrast to this method, the second Trail Smelter investigation was carried out by three Commissioners, an American, a Canadian, and a Belgian, the latter acting as chairman.

Both plans doubtless have their merits, and, perhaps, their demerits. In that adopted for the International Joint Commission the six members must stick to their task until they reach a conclusion. If they should be evenly divided on this, there is no supposedly impartial umpire to throw his weight into one side or the other of the scales. However, the proof of the pudding is in the eating. This even-sided Commission has now been functioning for twenty-eight years; has dealt in that time with a number of problems, large and small; and has never yet failed to reach a decision, which in nearly every case has been unanimous. The other plan often works satisfactorily, as it did in the matter of the Trail Smelter, but not always; and in any event it is not the representative of either of the countries or interests directly concerned, but the outsider, whose vote is, in most cases, decisive.

It is not the least important of the things that may be said of the International Joint Commission, that it has managed to build up a tradition of quietly efficient and impartial service to Canada and the United States; and that tradition has had more than any other one thing to do with the Commission's success in disposing of international problems—"disposing of controversies at the beginning", in the words of Elihu Root, "before they have ceased to be personal and nations have become excited and resentful about them". No one was more active in building up this fine tradition than Mr. Charles A. Magrath, who resigned as chairman of the Canadian section in 1936, after a term of service that dated from the organization meeting in Washington in January 1912. "A man of vision and broad views", said his American and Canadian colleagues, in a farewell resolution, "a thoroughgoing Canadian, he was too big to interpret his patriotism in any narrow sense. As a member of the Commission his preoccupation was always to secure a decision that would do substantial justice to those vitally interested in any particular problem, whether they might be American or Canadian." And Mr. Magrath said on more than one occasion that, as joint chairman of the Commission, he had had the wholehearted friendship and support of his colleagues, at all times, and quite irrespective of their nationality.

Turning, then, from men to works. Several of the Commission's larger investigations—such as those relating to the St. Lawrence Deep Waterway, the Pollution of Boundary Waters, the Trail Smelter, and the Lake of the Woods—were still alive in 1939, though no longer under the jurisdiction of the Commission.

Messrs. R. A. MacKay and E. B. Rogers,<sup>1</sup> in their summary of the St. Lawrence investigation, brought the narrative down to the failure of the Treaty of 1932 to obtain the two-thirds vote needed for confirmation. Thereafter nothing much was heard of the proposed waterway for several years, although it was understood that President Roosevelt was still keenly

<sup>1</sup> *Canada Looks Abroad*, pp. 131-54.

interested in the idea. In Canada the situation was complicated. Had the Treaty, with its provisions for building the great waterway and the equally gigantic power development, passed the United States Senate, there can be little doubt that it would have received the approval of the Canadian Parliament. But the widespread American opposition that was responsible for the Senate's action found more than an echo in Canada. The Premiers of the two most important provinces of the Dominion, Mr. Mitchell Hepburn and M. Maurice Duplessis, became more and more outspoken in their denunciation of the project, and for these and other reasons it appeared for several years that, so far as Canada was concerned, the St. Lawrence Waterway was a dead issue.

Then, in 1938, the United States government sent to Ottawa for the consideration of the government of Canada the draft of a new treaty, containing provisions designed to meet in some respects the arguments of the opponents of the old treaty, and others relating to the development of power and the preservation of scenic beauty at Niagara, the Chicago diversion, and diversions into the Great Lakes from other watersheds, such as Hudson Bay. Some months later the Duplessis government was overwhelmed in a provincial election and it seemed probable that the new administration would be prepared to work in harmony with Ottawa; and Mr. Hepburn made it known that, for reasons arising out of the war, he had withdrawn his objections to the St. Lawrence development. There the matter rests at the time of this writing.

The history of the Pollution of Boundary Waters Investigation has been equally tortuous. On the conclusion of the Commission's inquiries, which extended over several years, a report was made to the governments of the United States and Canada, containing recommendations designed to provide remedies for the dangerous conditions that had arisen, and to give the Commission authority to deal with individual problems as they should arise. The governments thereupon requested the Commission to draft a convention embodying its recommendations. This was done, and the draft submitted

to Washington and Ottawa. For reasons that are not known the draft treaty still remains a draft treaty. Meanwhile, complaints have been made repeatedly both to the Commission and to the governments as to dangerous conditions of pollution from domestic and factory sewage and the discharge of ships in boundary waters, particularly in such rivers as the Detroit and the Niagara; and of similar conditions in certain rivers crossing the boundary, such as the Red River. And there, also, this matter rests.

The third question, the Trail Smelter, has been, as already mentioned, the subject of two investigations. The farmers in the northern part of the State of Washington, who felt that they were being ruined by the fumes from the Trail Smelter in British Columbia, were far from content with the substantial damages awarded them by the International Joint Commission, and pressed the authorities in Washington until they agreed to have the matter reconsidered by a different tribunal, if Canada would agree, which she did. The whole complicated problem was gone into again, and once more the farmers were disappointed. The Trail Smelter tribunal emphatically endorsed in principle the earlier decision of the International Joint Commission.

One of the peculiar features of the Trail Smelter case was the existence of a provision in the constitution of the State of Washington which made it impossible for an alien to hold title to land in the state. This had been directed against Asiatics, but was so broad that the Canadian Company found it impossible to secure either full title or an easement on lands alleged to be damaged in that state.

The events of the Lake of the Woods investigation have been briefly described by Messrs. MacKay and Rogers, down to the Treaty of 1925, which, they say, not quite accurately, provides among other things for "continuous supervision by a joint engineering board under the supervision of the Commission".<sup>1</sup> The Commission in its report had recommended that it should have permanent jurisdiction over the regulation of the levels of the Lake of the Woods,

<sup>1</sup> *Ibid.*, p. 130.

and should be authorized to set up an engineering board to assist it in carrying out its duties. The Treaty established an engineering board, which is practically independent of the Commission unless its two members disagree.

The Treaty of 1925 also referred to the Commission for investigation and report, certain questions as to the levels of Rainy Lake and the lakes above it along the international boundary. In its report the Commission again recommended that it be given jurisdiction over the operation of dams and the regulation of levels in the Rainy Lake watershed, and this authority was embodied in a Convention signed in September 1938, and approved by the Canadian Parliament in 1939. It was one of the bills signed by the King during his visit to Canada in the spring of 1939. The Convention still awaits the approval of the United States Senate.

The result is that the Protocol of 1939 gives the Commission wide powers in the Rainy Lake watershed, denied to it by the Treaty of 1925 in the Lake of the Woods watershed, although the former watershed forms part of the latter, and its regulation has an inescapable effect upon the regulation of the Lake of the Woods.

The wide geographical range of the Commission's work is suggested by the fact that, even in the three years now under review, it has had before it applications from interests as far apart as the upper waters of the St. John River in the east and the Kootenay River in the west. These cases also illustrate the fact that the matters dealt with vary in importance to an extraordinary degree. The Bruner application, heard and decided in 1936, was the most recent of three cases involving the reclamation of rich lands in the valley of the Kootenay in British Columbia, between Kootenay Lake and the international boundary. As the drainage projects involved extensive dyking, and the dyking would have some effect upon water levels in the Kootenay on the American side of the boundary, the matter became international and must have the approval of the Commission.

There also happen to be a large number of drainage projects on the Idaho side of the boundary, but these have



not come before the Commission for approval because of a curious feature of the Treaty of 1909 under which the Commission operates. Article 4 of that Treaty provides that "remedial or protective works . . . in waters at a lower level than the boundary in rivers flowing across the boundary" must have the approval of the International Joint Commission, but nothing is said in the article about works in waters above the boundary. The British Columbia projects were below the boundary and therefore had to come before the Commission. The Idaho projects were above the boundary, and therefore—though nobody knows why—exempt.

That the exemption was not accidental appears from the language of article 2 which provides, among other things, that "each of the High Contracting Parties reserves to itself or to the several State Governments on the one side and the Dominion or Provincial Governments on the other as the case may be . . . the exclusive jurisdiction and control over the use and diversion, whether temporary or permanent, of all waters on its own side of the line which in their natural channels would flow across the boundary . . .".

The Commission will have before it in 1940 a problem coming within this category—the first attempt to bring before it one of the class of cases not provided for in article 4. The Souris River, which rises in Saskatchewan, flows over the boundary into North Dakota, and then into Manitoba, where it discharges its waters into the Assiniboine. There are dams for irrigation and other purposes in all three areas, and the governments of Canada and the United States are requesting the Commission, under the terms of article 9 of the Treaty, to investigate the situation and report how the water of the Souris may be so distributed as to meet the needs of all concerned on both sides of the boundary. Under article 9 the Commission has no final jurisdiction, but merely investigates and reports its conclusions and recommendations.

And now, to return to the point of the wide range of importance between the Kootenay problems and the situation on the upper St. John. The Kootenay group includes drainage interests in British Columbia and Idaho, a power

development on the Kootenay River below the lake associated with the Trail Smelter, other as yet undeveloped power sites on the Kootenay and Pend d'Oreille Rivers, and the possible trans-boundary effect of the immense dam at Grand Coulee on the Columbia.

The drainage cases in British Columbia, and the Corra Linn dam on the Kootenay, have already been approved by the Commission.<sup>1</sup> There is the possibility that the Commission will be asked to investigate the effect of the Grand Coulee dam on Canadian interests farther up the Columbia. There is the further possibility that, sooner or later, the very big problem of how to make the best use for power, reclamation, and other purposes, in the interests of people on both sides of the international boundary, of the waters of the Columbia and its tributaries, in so far as they have a trans-boundary effect, may be gone into by experts under the direction of the International Joint Commission or some similar body.

Here, in any event, is a large and complicated question, some parts of which have already been answered by the Commission. Compare it with the case of M. Jean Larivière. In 1935 this French-Canadian farmer, whose land runs to the banks of the upper St. John River, here a very small stream, but nevertheless part of the boundary between Quebec and Maine, wanted to build a dam across the river to provide power for his shingle mill. It was a very small mill and dam and a very small river, but the stream was international, and the dam must have international approval. M. Larivière put his case before the Commission. The usual procedure would mean a public hearing, and a good deal of expense that he could ill afford. An engineer was therefore sent to the place, made simple but adequate plans, ascertained that the interests on the Maine side had no objection, and, at the next executive meeting of the Commission, an order was adopted approving of the little dam.

<sup>1</sup> *The Kootenay Valley: A Report on Certain Cases involving Reclamation and the Development of Water Power in the Valley of the Kootenay River, under the Terms of Article iv of the Treaty of January 11, 1909* (Ottawa, 1936).

One other matter that calls for brief mention is the investigation relating to the proposed Champlain Waterway. In 1936, at the request of the Congress of the United States, the two governments asked the Commission to examine and report upon the engineering and economic practicability of a deep waterway from New York to Montreal by way of Lake Champlain. At public hearings it became evident that this was generally recognized as a feeder to the larger St. Lawrence Waterway, and the Commission finally reported that, while there were no engineering difficulties, the economic practicability of the Champlain Waterway was open to question, and in any event it was not possible to come to any definite conclusion until the St. Lawrence Waterway had either been built or the idea abandoned.<sup>1</sup>

NOTE by N. A. M. MACKENZIE

One matter of interest which Mr. Burpee does not mention seems worth commenting upon. It relates to the composition of the Commission itself. The practice that has been followed by both countries for more than a quarter of a century, of ensuring the largest measure of impartiality in the consideration of questions coming before the Commission by appointing men who have no other official ties, was modified by the United States in 1939 when the President, in requesting the resignation of one of the American Commissioners, announced that the American section of the Commission would in future be made up of men drawn from the public service of the United States, who would serve on the Commission while still carrying on the work of their present offices. This change of policy, while it did not meet with the concurrence of the government of Canada, which preferred to maintain the practice of the past at any rate so far as Canadian Commissioners were concerned, was, nevertheless, entirely within the competence of the President under the terms of the Treaty of 1909. The President has the undoubted right to appoint anyone he may see fit to the American side of the Commission. It is to be hoped that this change will not affect either the status or the impartiality of this very useful and important body.

<sup>1</sup> *Interim Report of the International Joint Commission on the Champlain Waterway, 1937* (Ottawa, 1938). Another matter growing more or less out of the Champlain investigation, is reported in another of the Commission's publications, under the title *Richelieu River Remedial Works, 1937* (Ottawa, 1938).

## XV. AWARDS AND JUDGMENTS OF NATIONAL AND INTERNATIONAL TRIBUNALS

### A. INTRODUCTORY

THE awards of the International Joint Commission are briefly commented upon in Mr. Burpee's contribution above. The second award in the Trail Smelter case, which was given by a tribunal consisting of M. Jan Hostie of Belgium, Mr. Charles Warren of the United States, and Mr. Robert Greenshields of Canada, is printed verbatim in 33 *American Journal of International Law*, 182. A brief digest of this award appears below.

The United States courts do not seem to have had before them, during the years 1938 and 1939, any cases directly affecting Canada, Canadians, or Canadian interests and involving questions of international law, and so no United States decisions are included in this volume.

A number of cases involving questions of international law were decided by the Canadian courts during this period, and brief digests of these, together with the relevant citations, are given below. Certain recent cases which were decided before 1938, and which were not included in *Canada and the Law of Nations*,<sup>1</sup> are also given here because they are relevant, and in order that this part of the present volume, together with *Canada and the Law of Nations*, may report all the relevant cases that have been decided.

Only those portions of the cases which deal with questions of international law are digested.

<sup>1</sup> By N. A. M. MacKenzie and L. H. Laing.

## B. DIGESTS OF CASES

- (i) *International Convention—International Tribunal—Tort—Damages—Remoteness and Uncertainty—Claim for Violation of Sovereignty*

The Trail Smelter Arbitral Decision, 33 A.J.I.L. 182

This is the second award made in respect of claims against the Trail Smelter. The first claim was submitted to the International Joint Commission which made its award on February 28, 1931. Two years later, the United States government made representations to the Canadian government that "existing conditions were entirely unsatisfactory and that damage was still occurring". Diplomatic negotiations ensued which resulted in the Convention, signed on April 15, 1935, under which the present tribunal was constituted.

Four questions were asked of the tribunal: (1) "Whether damage caused by the Trail Smelter in the State of Washington has occurred since the first day of January, 1932, and if so, what indemnity should be paid therefor?" (2) "In the event of the answer to the first part of the preceding question being in the affirmative, whether the Trail Smelter should be required to refrain from causing damage in the State of Washington in the future and, if so, to what extent?" (3) "In the light of the answer to the preceding question, what measures or régime, if any, should be adopted or maintained by the Trail Smelter?" (4) "What indemnity or compensation, if any, should be paid on account of any decision or decisions rendered by the tribunal pursuant to the next two preceding questions?"

These claims arose out of the alleged damage caused in the State of Washington by fumes from the Trail Smelter, which was situated and operated in British Columbia. The tribunal found that damage was done to the cleared and uncleared land by fumes from the Trail Smelter, for the period January 1, 1932, to October 1, 1937, and assessed this damage at \$78,000. With respect to alleged damage to business enterprises, the tribunal was of the opinion that damage of this nature, "due to reduced economic status", was too

indirect, remote, and uncertain to be appraised, and was not such damage for which an indemnity could be awarded. The tribunal refused to make any award in respect of the United States claim for violation of its sovereignty. The tribunal felt itself unable at that particular time to determine upon a permanent régime for the operation of the Trail Smelter, but it did establish a temporary régime in order to enable itself to make a more adequate study of the conditions upon which to base a permanent régime. The tribunal also decided that the Trail Smelter was to refrain from causing damage in the State of Washington, to the extent set forth in the temporary régime, until the date of the final decision and not later than October 1, 1940, and thereafter to such extent as the tribunal should require in its final decision.

(ii) *Jurisdiction Over Foreign Vessel—Real and Irresistible Distress*

Rex v. Flahaut, New Brunswick Supreme Court, Appeal Division, 1934 [1935] 2 D.L.R. 685

The defendant, Flahaut, who was a French citizen, and whose ship was a foreign ship, claimed that the New Brunswick courts did not have jurisdiction. He also claimed immunity on grounds of distress. Held that the courts had jurisdiction over a foreign vessel within the body of a county. *Per Hazen, C. J.*, quoting Jessup, *The Law of Territorial Waters and Maritime Jurisdiction*:

If a foreign vessel passes through territorial waters for the purpose of entering a port, or if it anchors or hovers in such waters, it can no longer be considered as exercising the right of innocent passage. Its aims are not in accord with the basis of that right. Such vessels do not therefore enjoy the qualified immunity granted to ships in passage. The status of these ships, as already indicated, is to be assimilated to that of ships in port. They may be boarded, searched and seized for violation of revenue or quarantine laws; they may be arrested in connection with a suit in admiralty, and are in general subject fully to the laws of the littoral state.

Held, also, that distress, in order to entitle a ship to immunity within the jurisdiction, must be real and irresistible, and this was not proved by the defendant so as to entitle him to immunity.

(iii) *Territorial Waters—Jurisdiction over Foreign Ship—Distress*

Cashin v. The King, Exchequer Court of Canada, 1935, [1935] 4 D.L.R. 547

The ship *Apockmaouchea*, registered at St. John's, Newfoundland, and owned by L. V. Cashin of that place, was seized in Halifax because, on an earlier occasion, the master had made an untrue report inwards at customs. Held that the *Apockmaouchea* was not forced to come into Halifax, but came in voluntarily, and that therefore the plea of distress could not be maintained; that a merchant or private vessel entering a foreign port subjects herself to the local jurisdiction and territorial law of the place; that in entering a port, even under constraint or in distress, a vessel becomes liable to the laws of the place; that the maritime territory of a state includes, *inter alia*, harbours, ports, mouths of rivers and estuaries, bays and parts of the sea enclosed by headlands; that it is the general, although not the universal, usage of nations to recognize that a littoral state has an exclusive territorial jurisdiction over the sea, for a distance of one marine league (or three miles) along its coasts, subject, however, to the right of innocent passage; that it has long been recognized that for purposes of police, revenue, public health, etc., a state may adopt laws affecting the seas surrounding its coasts to a distance exceeding the limits of its territory; and that, for customs purposes, a ship not registered in Canada, even though a British ship, must be considered a foreign vessel.

(iv) *Boundary Waters—Treaties*

Owen Sound Transportation Co. v. Tackaberry, Ontario Court of Appeal, 1936, [1936] 3 D.L.R. 272

It was claimed that the terms of the Boundary Waters Treaty of 1909, between Canada and the United States,

prevented the Province of Ontario from granting a licence to ferry over boundary waters. The Treaty states that, "The High Contracting Parties agree that the navigation of all navigable boundary waters shall forever continue free and open for the purposes of commerce to the inhabitants and to the ships, vessels, and boats of both countries equally, subject, however, to any laws and regulations of either country, within its own territory, not inconsistent with such privilege of free navigation and applying equally and without discrimination to the inhabitants, ships, vessels and boats of both countries". Held that this did not prevent the Province of Ontario from granting a ferry licence between two harbours in Ontario. For the purpose of the Treaty, boundary waters were defined as "the waters from main shore to main shore of the lakes and rivers and connecting waterways or the portions thereof, along which the international boundary between the United States and the Dominion of Canada passes, including all bays, arms and inlets thereof, but not including contributory waters which in their natural channels would flow into such lakes, rivers and waterways, or waters flowing from such lakes, rivers and waterways or the waters of rivers flowing across the boundary".

(v) *Ownership of British Ship—Nationality of Owner*

The King v. The *Emma K*, Supreme Court of Canada, 1936, [1936] 3 D.L.R. 385

A citizen of a foreign country may not have title to a British ship, nor is a natural-born British subject who has become a citizen or subject of a foreign state qualified to be the owner of one.

(vi) *Extradition—Extraditable Offences—Extradition Treaty*

State of Utah v. Peters, Alberta District Court, 1936, [1936] 4 D.L.R. 509

The police, acting upon information received from Utah, detained Peters in Alberta, and at the earliest possible moment



a warrant for his arrest was obtained. The charge shown in the warrant was for "obtaining notes or funds by false pretenses within the jurisdiction of the State of Utah". It was shown that the accused had been charged in Utah with having made and issued a cheque upon a bank in Utah well knowing that he had not sufficient funds in the bank or credit therein by which to meet the cheque; and this constituted a crime in Utah. Upon a hearing before an extradition commission, accused expressed his desire to waive his rights and to return voluntarily to Utah, there to stand his trial. Accused was thereupon in open court and upon the consent of his counsel, turned over to a sheriff of the State of Utah, being accompanied by a constable of the R.C.M.P. as far as the American border. Johnson, D.C.J., after pointing out that these matters were no longer material in the events that had happened, reviewed at considerable length, the principles governing procedure upon extradition; and, particularly, the following points were emphasized. It is generally conceded that fugitive offenders are surrendered in consequence of some treaty obligation only. Political fugitives seeking asylum in this country will not be surrendered, and fugitives, generally, may only be tried for the offence for which they have been surrendered. Extradition may be refused where the offence is a trivial one, or where the possible punishment is revolting to the conscience of the extraditing country.

(vii) *Nationality—Citizenship of Married Woman—Canadian Passport*

Varin v. Cormier, Superior Court of Quebec, 1937, [1937] 3 D.L.R. 588

A natural-born French woman, married in Canada to an alleged Canadian, and in possession of a Canadian passport, was denied re-entry to Canada on the ground that, as she did not prove that her husband was a British subject (Canadian citizen) at the time of her marriage, she herself could not claim to be a Canadian citizen. The Canadian passport of itself did not constitute proof of Canadian citizenship.

(viii) *British Subjects—Passport*

*Ex parte* Banta Singh, Supreme Court of British Columbia, 1938, [1938], 1 D.L.R. 789

The fact that a person in Canada has obtained a passport from the proper authorities has nothing to do with the question, arising under the Immigration Act, R.S.C. 1927, c. 93, where he had illegally entered Canada. It does not constitute an admission of the right of such person to be in Canada. Where a certificate of registration had been given by an immigration officer to the applicant herein to enable him to visit Seattle, *held*, this was not intended to be a recognition of his status, or a formal admission of his right to be in Canada. In any event, the action of such an official could not estop the Crown.

(ix) *Territorial Waters—Islands off Coast—Smoke Screen Prohibition*

*Rex v. Conrad*, Supreme Court of Nova Scotia, 1938, [1938] 2 D.L.R. 541

Conrad was charged, under the Criminal Code, with being in charge of a boat equipped with an apparatus for making a smoke screen, near an island off the coast of Lunenburg County, Nova Scotia. *Held* that an island is itself entitled to a three-mile zone of territorial waters, and that a nation is entitled to take such measures as it may deem necessary for the protection of its revenues within a reasonable distance from its shores.

(x) *Individuals in International Law—Nationality—Deportation of Oriental Born in Canada—Determination of Status*

*Shin Shim v. The King*, Supreme Court of Canada, 1938, [1938] 4 D.L.R. 88

Shin Shim was a natural-born Canadian, of Chinese racial origin, who was detained by the Controller of Chinese Immigration, in Vancouver, with a view to her exclusion or deportation from Canada. She applied for a writ of Habeas

Corpus, and the Controller claimed that, under the Chinese Immigration Act, the courts were not entitled to intervene. Held *per* Sir Lyman Duff, C.J.C., that the Act was not intended to prevent Canadian citizens of Chinese origin or descent generally from entering Canada, and that the courts were entitled to enquire into the issue of citizenship and status.

(xi) *Individuals in International Law—Exclusion—Deportation—Domicile*

Rex v. Jawala Singh, Court of Appeal of British Columbia, 1938, [1938] 4 D.L.R. 381

Jawala Singh was a native of India and a British subject. He had legally entered Canada and had acquired Canadian citizenship and a "Canadian domicile", but he left Canada to reside in the United States for a period of ten years. During that time he periodically returned to Canada. He later re-entered Canada unlawfully, and the immigration authorities took him into custody with a view to deporting him. Held that, by his absence from Canada, Jawala Singh had lost his Canadian citizenship and "domicile" and was liable to deportation.

(xii) *Treaties—International Conferences—Conflict of Laws*

Vita Food Products Incorporated v. Unus Shipping Corporation, Judicial Committee of the Privy Council, 1939, [1939] 2 D.L.R. 1

The Unus Shipping Corporation, a Nova Scotia company, accepted a cargo of herrings in Newfoundland for delivery to Vita Food Products Incorporated, in New York. Owing to bad weather and accidents, the cargo was delayed and damaged, and the purchasers brought action against the ship-owners in the courts of Nova Scotia. The question arose as to the law applicable under the contract. The contract was made in Newfoundland but stated that the law of England was to govern it. By a Newfoundland statute, the application of

certain rules, agreed upon at the Brussels Conferences on Maritime Law of 1922 and 1923, was made compulsory in contracts of this kind made in Newfoundland. Held that the English law was the proper law of the contract and that the Nova Scotia courts would apply such law. The effect of this decision would seem to be that it is optional with the parties whether or not they incorporate into their bills of lading the provisions agreed upon at Brussels, which it was believed became compulsory when embodied in appropriate national legislation. This in turn would seem to restore the law to its former condition which the International Conventions and national legislation were intended to reform.

(xiii) *Subjects of International Law — Eskimos — North American Indians*

*Re Eskimos*, Supreme Court of Canada, 1939, [1939] 2 D.L.R. 417

North American Indians form a special class or category of individuals in law, particularly in respect of the treaties made with the Indian tribes and nations in earlier colonial times. This case is relevant because in it the court decided that Eskimos are regarded as Indians and have similar rights and disabilities in law.<sup>1</sup>

(xiv) *War and Its Effects—Enemy Property—Termination of War*  
*Spitz v. Secretary of State of Canada*, Exchequer Court of Canada, 1939, [1939] 2 D.L.R. 546

Shares in a Canadian company were transferred by an enemy national during the last Great War. The transferee was not a Canadian citizen, the registration of shares was not made in Canada, and the share certificates were not physically present in Canada. Held that such a transfer conferred no legal or equitable title upon the transferee, and that a Canadian court had the power to order the vesting of such shares in the Custodian of Alien Enemy Property, even though the

<sup>1</sup> For leading cases on the status of Indians, see MacKenzie and Laing, *Canada and the Law of Nations*, pp. 180-221.

shares in question were registered in a foreign share register maintained by the company abroad. The nationality of the transferee was not material. The Great War was held to terminate on January 10, 1920, when the Treaty of Peace was ratified by His Majesty.

(xv) *Individuals in International Law—Naturalization—Exclusion of Naturalized Persons*

Rex v. Smith: *Ex parte* Soudas, Supreme Court of New Brunswick, 1939, [1939] 3 D.L.R. 189

An alien, who is naturalized in Canada, leaves the country, resides elsewhere for more than one year, and subsequently returns to Canada, may be deported from Canada although he continues to possess the status of British subject. *Quaere* whether such a person may be deported to his country of origin? Where the holder of a naturalization certificate has been ordinarily resident outside His Majesty's Dominions for not less than seven years, his certificate may be revoked.

(xvi) *Subjects of International Law—Treaties—Status of North American Indians*

The King v. Commanda, Supreme Court of Ontario, 1939, [1939] 3 D.L.R. 635

In 1850, the Hon. W. B. Robinson, on behalf of Her Majesty, entered into an agreement with the Ojibway Indian tribes.<sup>1</sup> Under this agreement the Indians surrendered certain of their lands to Her Majesty, but retained the full and free privilege to hunt and fish in these territories. In 1939, the question arose as to whether, in the light of this agreement, the Ontario Game and Fisheries Act applied to this territory and to these Indians. Held that it did and that these Indian rights could be restricted or taken away by provincial legislation. *Per* Lord Watson in *Attorney-General of Canada v. Attorney-General of Ontario* [1897] A.C. 213, "under the treaties the Indians obtained no right . . . beyond a promise and agreement which was nothing more than a personal

obligation by its governor, as representing the old province  
...".

(xvii) *Individuals in International Law—War and Its Effect—  
Enemy Property—Statelessness*

Keller v. Secretary of State of Canada, Exchequer Court of  
Canada, 1939, [1939] 4 D.L.R. 145

Keller was born in Germany and emigrated to the United States where he obtained his First Letters of Citizenship. He later resided in Canada, and returned to Germany in 1914. In requesting the return of certain property held by the Custodian of Alien Enemy Property, he stated that in Germany he was treated as possessing no nationality, having lost his German citizenship through absence from that country. He therefore claimed that, as a stateless person, he was entitled to the return of the property in question. The Custodian retained Keller's property, holding that he was an enemy national. The Exchequer Court refused to consider the question of the claimant's status, and held that it was bound on this point by the finding of the Custodian as provided by the Treaty of Versailles and the Treaty of Peace (Germany) Order.

(xviii) *Treaties—International Organizations—Powers of Such Orga-  
nizations*

Rex v. Wedge, Supreme Court of British Columbia, 1939,  
[1939] 4 D.L.R. 323

The Northern Pacific Halibut Fishing Convention of 1937, between Canada and the United States, provided for the setting up of an International Fisheries Commission. The latter was empowered to make regulations, and these regulations, when approved by the Governor-General of Canada and the President of the United States, were to be binding upon the citizens of the two countries. The Canadian Parliament passed appropriate legislation, implementing this Convention. A question arose as to the validity, or binding effect, of regulations made in this way by the Commission, for

private citizens. Held that such regulations were valid and binding.

(xix) *War and Its Effects—Foreign Ship—Service of Writ*

Cantieri di Monfalcone Co. v. Gdynia S.S. Co., Supreme Court of Nova Scotia, 1939, [1939] 4 D.L.R. 491

An Italian ship-building company held a mortgage, given by a Polish ship-owning company, on its ship lying at the commencement of this action in the port of Halifax, Canada. Poland had been subjugated by Germany, an enemy country. The Italian company, in an action for foreclosure and sale of the ship, applied to the courts in Halifax for permission to issue and serve notice of a writ of summons against the Polish company. The application was granted, and a further application was made that service of the notice of the writ of summons upon Messrs. Pickford and Black, Ltd., of Halifax, should be good and sufficient service of the said notice. This application was also granted.

An appeal against this court order was dismissed on the ground that the ship was "personal property within the jurisdiction", which would form the subject matter of administration in Nova Scotia, and since Poland was in the hands of the enemy and service there impracticable, such service in Nova Scotia was satisfactory.

### C. CANADIAN CASES ON THE CONFLICT OF LAWS

While this part of the book is primarily concerned with public international law, it was thought that a list of the Canadian cases of 1938 and 1939 dealing with the conflict of laws might be of interest to some readers and this is given below.

#### 1938

Jones v. Kline, [1938] 4 D.L.R. 391, Alberta.  
*Domicile—Of Origin—Of Choice.*

*In re* Corlet and Isle of Man Bank, [1938] 3 W.W.R. 20, Alberta.  
*Domicile—Of Origin—Of Choice—Burden of Proof.*

Chatenay v. Chatenay, [1938] 3 D.L.R. 379, British Columbia.  
*Domicile—Of Origin—Of Choice—Effect of Nationality—  
 Jurisdiction—Foreign Divorce.*

Bedell v. Gefaell, [1938] 4 D.L.R. 443, Ontario.  
*Jurisdiction—Foreign Judgments.*

Finlay v. Rose, [1938] 2 D.L.R. 334, Manitoba.  
*Jurisdiction—Foreign Lands.*

McLeod v. Paul, [1938] 4 D.L.R. 418, Manitoba.  
*Jurisdiction—Tort Committed Abroad*

Stephens v. Falchi, [1938] 3 D.L.R. 590, Canada.  
*Marriage and Divorce—Domicile—Choice of Law.*

Francis, Day and Hunter, Ltd. v. Twentieth Century Fox Corp.,  
 [1939] 4 D.L.R. 353, Privy Council.  
*Copyright—Choice of Law.*

Hansard v. Hansard, (1938) 12 M.P.R. 576, New Brunswick  
*Succession to Property—Movables and Immovables—Choice of Law.*

X v. Rajotte, (1938) 64 Que. K.B. 484, Quebec.  
*Domicile—Marriage—Property of Spouses.*

Faubert v. Brown, (1938) 76 Que. S.C. 328, Quebec.  
*Domicile—Choice of Law—Contract—Mortgage.*

Re Caillé; Re Massot, (1938) 76 Que. S.C. 156, 163, Quebec.  
*Domicile—Bona Vacantia—Choice of Law.*

Lacombe v. Legault, (1937) 76 Que. S.C. 11, Quebec.  
*Foreign Law—Evidence—Proof.*

Rihnak v. Hyatt, (1938) 43 Que. P.R. 72, Quebec.  
*Jurisdiction—Procedure—Residence—Property.*

### 1939

Bavin v. Bavin, [1939] 3 D.L.R. 328, Ontario.  
*Divorce—Domicile—Jurisdiction—Judgment  
 Contrary to British Justice.*

McCarthy v. Kenny, [1939] 3 D.L.R. 556, Ontario.  
*Jurisdiction—Tort Committed Abroad.*

Canadian National SS. Co. v. Watson, [1939] 1 D.L.R. 273, Canada.  
*Jurisdiction—Tort Committed Abroad—Burden of Proof.*



Young v. Industrial Chemicals Co. and Brunt, [1939] 4 D.L.R. 392,  
British Columbia

*Jurisdiction—Tort Committed Abroad—Actionable  
or Punishable—Not Justifiable* "

Vita Food Products, Inc. v. Unus Shipping Co., [1939] 2 D.L.R. 1,  
Privy Council.

*Choice of Law—Contracts.*

Re Thoburn; Ivey v. Rex, [1939] 1 D.L.R. 631, Quebec.

*Choice of Law—Succession Duties—Situs of Property.*

## XVI. TREATIES, CONVENTIONS, AND AGREEMENTS

THE texts of the majority of the Treaties, Conventions, and Agreements to which Canada became a party in 1938 and 1939 are printed in the *Treaty Series*<sup>1</sup> for those years. They are listed below:

### A. 1938

The Convention between His Majesty and France for the abolition of capitulations in Morocco and Zanzibar, which was signed in London on July 29, 1937, and extended to Canada by an Exchange of Notes of July 30, 1937, and August 7, 1937, entered into force on January 1, 1938.

By an Exchange of Notes of April 2, 1938, an arrangement was concluded between Canada and the Netherlands Indies for the prevention of double taxation of income. It was deemed to have come into effect on January 1, 1938.

The ratification of the Protocol regarding the immunities of the Bank for International Settlements, which was signed at Brussels on July 30, 1936, was deposited on January 20, 1938.

The *Modus Vivendi* between Canada and Uruguay governing commercial arrangements was extended by an Exchange of Notes of April 21 and 23, 1938, for a period of six months from April 30, 1938, subject to earlier termination by the exchange of ratifications of the Trade Agreement of 1936. It was further extended for a period of six months from October 31, 1938, subject to the same condition, in an Exchange of Notes of October 28 and November 12, 1938.

The accession in respect of Canada to the convention between the United Kingdom and Iraq regarding legal proceedings in civil and commercial matters, which was signed at Bagdad on July 25, 1935, was notified on June 1, 1938, and entered into force on July 1, 1938.

The accession in respect of Canada to the convention between the United Kingdom and Greece regarding legal proceedings in civil and

<sup>1</sup> Issued by the King's Printer, Ottawa.

commercial matters, which was signed at London on February 27, 1936, was notified on June 1, 1938, and entered into force on July 1, 1938.

Ratification of the Convention concerning the protection against accidents of workers employed in loading or unloading ships (revised in 1932), which was adopted by the International Labour Conference at its sixteenth session (Geneva, April 12-30, 1932), was approved by the Government of Canada on June 4, 1938. The instrument of ratification has not yet been deposited.

The accession of Canada to the International Whaling Agreement, which was signed at London on June 8, 1937, was notified on June 14, 1938. At the same time it was intimated that Canada would be prepared to prolong the agreement after June 30, 1938. At the International Whaling Conference, which was held in London from June 14 to June 24, 1938, a protocol amending the agreement of 1937 and a final act setting forth the conclusions of the conference were signed on behalf of Canada.

By an Exchange of Notes of June 18 and 20, 1938, the Agreement of 1932 between Canada and the United States of America concerning flights of military aircraft, as amended in 1935, was extended for a period of one year from July 1, 1938.

By an Exchange of Notes effected on June 23, 1938, between the Governments of Canada and of the United Kingdom, the latter agreed to the exercise by the Canadian customs authorities of certain powers in respect of vessels registered in parts of the British Commonwealth other than Canada, Australia, New Zealand, the Union of South Africa, and India, within a 12-mile limit.

The ratification of the draft Convention on seamen's articles of agreement, which was adopted at Geneva by the International Labour Conference at its ninth session, June 7-24, 1926, was deposited on June 30, 1938, and the Convention thereupon came into effect.

The ratification of the draft Convention concerning the marking of the weight on heavy packages transported by vessels, which was adopted at Geneva by the International Labour Conference at its twelfth session, May 30-June 21, 1929, was deposited on June 30, 1938, and the Convention thereupon entered into force.

By Exchanges of Notes at Washington on July 28, 1938, Canada and the United States of America concluded Agreements relating to air navigation, the issuance of certificates of competency or licences for the piloting of civil aircraft, and certificates of airworthiness for export, all of which entered into force on August 1, 1938.

The Commercial Agreement between Canada and New Zealand, which was signed at Ottawa and Wellington on April 23, 1932, modified in November 1935 and September 1937, and extended from year to year until September 30, 1938, was further extended until September 30, 1939, by an Order in Council dated August 25, 1938.

The Convention between Canada and the United States of America providing for the emergency regulation of the level of certain boundary waters in the Rainy Lake Watershed was signed at Ottawa on September 15, 1938.

The Convention of 1936 for the suppression of the illicit traffic in dangerous drugs, and the protocol of signatures thereto, which were signed on behalf of Canada on June 26, 1936, were ratified on September 27, 1938.

A Protocol for the amendment of the Preamble, of Articles 1, 4, and 5, and of the Annex of the Covenant of the League of Nations which was adopted by the nineteenth assembly of the League of Nations, on September 30, 1938, was signed on behalf of Canada on October 3, 1938. The protocol provides for the so-called separation of the Covenant from the Treaties of Peace.

The Trade Agreement of February 23, 1937, between Canada and the United Kingdom was modified by an Exchange of Notes effected at Ottawa on November 16, 1938.

The Trade Agreement of 1932 between Canada and the Union of South Africa was modified by an Exchange of Notes effected at Ottawa on November 16, 1938.

The Trade Agreement between Canada and the United States of America was signed at Washington on November 17, 1938, by the Right Hon. W. L. Mackenzie King on behalf of Canada. This Agreement, when ratified, will replace the Trade Agreement signed at Washington on November 15, 1935. The main provisions of the new Agreement will enter into force provisionally on January 1, 1939. The Agreement is to remain in force for a period of three years from the date of its proclamation by the President of the United States and thereafter until the expiry of six months from the date on which a notice of termination is given.

## B. 1939

By an Exchange of Letters effected at Ottawa on November 10, 1938, the Trade Agreement of August 20, 1932, between Canada and the Union of South Africa was modified, the modification to come into force on January 1, 1939.

The Trade Agreement between Canada and Guatemala, signed at Guatemala City on September 28, 1937, the ratifications of which were exchanged at Guatemala City on December 15, 1938, came into force on January 14, 1939.

The Convention between His Britannic Majesty and His Majesty the King of Yugoslavia, regarding Legal Proceedings in Civil and Commercial Matters, signed at London on February 27, 1936, the ratifications of which were exchanged at Belgrade on June 18, 1937, and which was extended to Canada by an exchange of Notes on December 1 and 27, 1938, came into force in respect of Canada on February 1, 1939.

The Trade Agreement of February 23, 1937, between Canada and the United Kingdom, was modified by an Exchange of Letters on November 16, 1938, and the modifications came into force on January 1, 1939.

By an Exchange of Notes effected on February 20, 1939, an arrangement was concluded between Canada and the United States regarding the use of Radio for Civil Aeronautical Services.

Notification was effected by an Exchange of Notes on March 1 and 23, 1939, extending to Canada as from April 1, 1939, the Convention between His Britannic Majesty and the Regent of the Kingdom of Hungary regarding Legal Proceedings in Civil and Commercial Matters.

An Exchange of Notes was effected in May 1939, prolonging for a period of six months as from April 30, 1939, the Commercial Modus Vivendi of 1936 between Canada and Uruguay.

The Ratifications of the Trade Agreement between Canada and the United States, which was signed at Washington on November 17, 1938 (and the provisions of Article IX of which applied on and after November 26, 1938, and the provisions of Articles I, VI and VII of which came into operation on and after January 1, 1939) were exchanged at Ottawa on June 17, 1939, on which date the entire Agreement was proclaimed and came into force.

By an Exchange of Notes of June 22 and 23, 1939, the Agreement of 1932 between Canada and the United States of America concerning flights of military aircraft, as amended in 1935, was extended for a period of one year from July 1, 1939.

By an Exchange of Notes effected August 18, 1939, an arrangement relating to Air Transport Services was entered into between Canada and the United States.

The Trade Agreement between Canada and New Zealand, which was signed at Ottawa and Wellington on April 23, 1932, modified in

November 1935 and September 1937, and extended from year to year until September 30, 1939, was further modified in September 1939 and extended until September 30, 1940.

The Canadian Ratification of the Convention of 1936 for the suppression of the Illicit Traffic in Dangerous Drugs, was deposited at Geneva on September 27, 1938, and the Convention came into force in respect of Canada on October 26, 1939.

The Ratification of the Convention between Canada and the United States of America, providing for the emergency regulation of the level of certain boundary waters in the Rainy Lake Watershed, signed at Ottawa on September 15, 1938, was approved by Parliament and the instrument of ratification was signed by His Majesty the King at Ottawa on May 19, 1939. The United States Senate has not yet approved ratification of the Convention.

## XVII. NEUTRALITY

ONE of the topics which has occasioned much discussion and some feeling, both in Parliament and among the general public, has been the question of Canadian neutrality. The Imperial Conferences and the Statute of Westminster have added to Canadian autonomy in respect to both legislative and executive powers, but there has been no general agreement among constitutional and international authorities as to the exact results of these developments. Some claim that Canada has become a completely independent and autonomous nation, both in respect of domestic and external matters, and that the power to deal with such matters resides in Canada, if the Canadian government and Parliament care to exercise it. Others argue that while Canada might acquire such power and autonomy if she cared to claim them, she has not taken all the necessary steps to achieve them and is, therefore, still deficient in this respect.<sup>1</sup>

In line with this development, Canada passed a Foreign Enlistment Act<sup>2</sup> which enables it to control and prohibit the enlistment of Canadians in foreign wars or revolutions, and certain amendments to the Customs Act<sup>3</sup> which enable it to control and prohibit the export of war materials and other goods to belligerent countries, or to governments engaged in civil war. This legislation was enforced in respect of the war in Spain but was not enforced against Japan and China. It occasioned no controversy of a legal character, however.

It was only as individuals began to ask, "What is the legal status of Canada and of Canadian citizens when the United Kingdom is at war?", that uncertainty appeared.

<sup>1</sup> R. A. MacKay and E. B. Rogers, *Canada Looks Abroad* (Toronto, 1938), pp. 233-46.

<sup>2</sup> *Statutes of Canada*, 1937, I Geo. VI, c. 32. For text see below, p. 313.

<sup>3</sup> *Statutes of Canada*, 1937, I Geo. VI, c. 24. For text see below, p. 319.

Some authorities claimed one thing, others another.<sup>1</sup> The government refrained from voicing an opinion or taking any action to settle the question, save that the Prime Minister said that the legal situation was not clear, and that Parliament should decide if and when war came.<sup>2</sup>

Mr. Thorson, one of the Liberal members from Manitoba, introduced a bill<sup>3</sup> in the House of Commons which provided that Canada could not legally become a belligerent except on the initiative of the Canadian government and Parliament. This was not designed to ensure that Canada should in fact remain neutral if the United Kingdom became involved in war, but rather to clear up the constitutional situation and to ensure that the government and Parliament assumed the same responsibility for war and neutrality that they ordinarily assume in respect of other matters. This bill was talked out, however, and when the United Kingdom went to war with Germany, on September 3, the question was still unanswered.

The events that have taken place since that date still leave the matter in doubt, and its solution must now stand over until the post-war period. As far as its own actions were concerned, it would seem that the Canadian government had concluded on September 3, or even earlier, that Canada either was at war when the United Kingdom was, or that it would be as a matter of course, for it invoked the War Measures Act and other emergency legislation immediately. On the other hand, it was not until September 10 that Parliament approved of Canadian participation in the war, and in the interval between September 3 and September 10 the government of the United States did not apply the arms embargo against Canada, although it was in force against the United Kingdom, Australia, New Zealand, and South Africa. The German Consul-General, Herr Windels, judging from his speeches and action, seemed to consider that Canada was a neutral until after September 10, for he did not leave the country until after that date, although this may have been a matter of policy and not due to his view of the legal situation.

<sup>1</sup> See MacKay and Rogers, *Canada Looks Abroad*, pp. 233-46.

<sup>2</sup> For text see below, p. 296.

<sup>3</sup> For text see below, p. 286.



### XVIII. THE SEALS ACT OF 1939

THE Seals Act<sup>1</sup> of 1939 is important because some authorities suggest that it enables the executive in Canada—the Governor-General and his ministers—to perform all the formal acts, i.e., the issuing of full powers, the ratification of treaties, etc., associated with the exercise of the prerogative, which formerly required the co-operation of ministers and officials in the United Kingdom, as well as the use of the Great Seal of the Realm and the signature of the King. This, if correct, would achieve much the same result for Canada that the Status of the Union Act and the Royal Executive Functions and Seals Act<sup>2</sup> of the Union of South Africa achieved for that Dominion. As it was not suggested in Parliament that this was the purpose of the Act, and as nothing has occurred since its passage to justify this view, the presumption would seem to be that the prerogative practice in this respect has not been changed in Canada.

<sup>1</sup> *Statutes of Canada*, 1939, 3 Geo. VI, c. 22. For text see below, p. 329.

<sup>2</sup> *Statutes of the Union of South Africa*, 1934, pp. 914, 922.

## XIX. DIPLOMATIC AND POLITICAL REPRESENTATION<sup>1</sup>

**D**URING 1938 and 1939 the Hon. Vincent Massey continued as Canadian High Commissioner in London, and Mr. Hume Wrong as Permanent Delegate of Canada to the League of Nations in Geneva, but changes in Canadian representation occurred elsewhere abroad. The late Hon. Sir Herbert Marler, who was Canadian Minister in Washington during 1938 and part of 1939, was succeeded, in the autumn of the latter year, by Mr. Loring Christie. The Hon. Philippe Roy, who was Canadian Minister in Paris during 1938, was succeeded early in 1939 by Lieut.-Colonel George P. Vanier. The Hon. R. Randolph Bruce, who was Canadian Minister in Tokyo during 1938, retired at the end of that year, since which time the office of Minister in Tokyo has been vacant.<sup>2</sup>

Count Robert de Dampierre<sup>3</sup> and Baron Silvercruys continued throughout 1938 and 1939 as French and Belgian Ministers in Ottawa, respectively. Sir Francis Floud, who was High Commissioner of the United Kingdom in Canada during part of 1938, was succeeded in that year by Sir Gerald Campbell. The Hon. Norman Armour, who was Minister of the United States of America until 1938, was succeeded for a few weeks at the time of the Royal Visit by the Hon.

<sup>1</sup> The above section was written early in the war. Since that time developments in Europe have caused a number of changes, which are not added as the situation is still liable to temporary alterations.

<sup>2</sup> The office of the High Commissioner in London was established in 1880, that of the Permanent Delegate to the League of Nations, Geneva, in 1925, the legation in Washington in 1927, the legation in Paris in 1928, and the legation in Tokyo in 1929. The title of the Canadian representative in Geneva was, until 1938, Canadian Advisory Officer, League of Nations. Dr. W. A. Riddell was the first official to have this title.

<sup>3</sup> Retiring early in 1940, he was succeeded in May by M. René Ristelhueber.

Daniel Roper, but otherwise the United States was represented by a *chargé d'affaires* in 1939.<sup>1</sup> M. Sotomatsu Kato, who was Japanese Minister during the early part of 1938, was succeeded in the spring of that year by Baron Tōmii.<sup>2</sup>

While in 1938 there was no increase in the number of Canadian High Commissioners or Ministers abroad, in 1939 a High Commissioner's office was established in Australia, and legations were opened in Belgium and the Netherlands. Mr. Charles J. Burchell was appointed the first Canadian High Commissioner in Canberra (the first in any Dominion) in November, and M. Jean Désy the first Canadian Minister to Brussels and The Hague,<sup>3</sup> in February.

In 1938 Mr. D. deWaal Meyer was appointed the first Accredited Representative of the Union of South Africa in Ottawa, but no new legations were established in Ottawa during that year. In 1939, Ireland opened a High Commissioner's office, and the Netherlands a legation, in the Canadian capital, Mr. John J. Hearne being appointed the first Irish High Commissioner, and M. F. E. H. Groenman, the first Netherlands Minister to this country.<sup>4</sup>

<sup>1</sup> The Hon. James H. R. Cromwell became American Minister early in 1940, and was succeeded in June by Mr. Jay Pierrepont Moffat.

<sup>2</sup> The French legation was established in 1928, the Belgian legation in 1937, the office of the British High Commissioner in 1928, the American legation in 1927, and the Japanese legation in 1928.

<sup>3</sup> In the first part of 1940 the Canadian diplomatic service was considerably expanded, Mr. John Hall Kelly, Dr. Walter A. Riddell, and Mr. Henry Lawreys becoming respectively the first Canadian High Commissioner in Dublin, Wellington, and Pretoria.

<sup>4</sup> Early in 1940 Sir William Glasgow was appointed the first Australian High Commissioner in Ottawa.

## XX. CONFERENCES

A brief account of the Imperial and International Conferences at which Canada was represented during 1938 and 1939 appears in the *Report of the Secretary of State for External Affairs*<sup>1</sup> for those years. They were:

### A. 1938

#### IMPERIAL CONFERENCES

The Imperial Conference on Agricultural Co-operation, Glasgow Empire Exhibition, July 18-20.

The Imperial Veterinary Conference, London, August 15

The Health Conference of the Royal Sanitary Institute, Portsmouth, England, July 11-16.

#### INTERNATIONAL CONFERENCES

The International Telegraph & Telephone Conference, and the International Radio-communication Conference (held simultaneously), Cairo, February 1-8.

A Conference on trans-Atlantic aviation, Dublin, March 22.

A meeting of the International Union against Cancer, Paris, April 8-9.  
A further meeting in November.

The Ninth International Ornithological Congress, Rouen, France, May 9-13.

The Tenth International Chemistry Congress, Rome, May 16-21.

The Twenty-fourth International Labour Conference, Geneva, June 2-22.

The International Whaling Conference, London, June 14-24.

The Third World Congress for Leisure Time and Recreation, Rome, June 26-July 3.

The first meeting of the Inter-Governmental Committee on Political Refugees, Evian, France, July 6-15. A second meeting was held in London, August 3-4.

The Second International Anthropology and Ethnology Conference, Copenhagen, August 1-6.

The Sixth General Assembly of the International Astronomical Union, Stockholm, August 3-10.

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<sup>1</sup> Issued by the King's Printer, Ottawa.

- The Twelfth International Horticultural Congress, Berlin, August 12-17.
- The Seventh International Congress for Entomology, Berlin, August 15-20.
- The Fifth International Conference of Agricultural Economists, St. Anne de Bellevue, Canada, August 21-5. (Not an official conference.)
- The Thirteenth International Congress of Veterinary Medicine, Zurich and Interlaken, Switzerland, August 21-7.
- The Fifth International Conference on Grasshopper Control, Brussels, August 25.
- The Second International Meeting of the Aero Medical Association of the United States, Dayton, Ohio, September 2-4.
- The Third International Goitre Conference, Washington, D. C., September 12-14.
- The Nineteenth Assembly of the League of Nations, Geneva, September 12-30.
- The Fifth International Congress for Applied Mechanics, Cambridge, Massachusetts, September 12-16.
- The twenty-fourth session of the International Institute of Statistics, Prague, September 12-17.
- The Fourth Diplomatic Conference on Private Air Law, Brussels, September 19.
- The Fourteenth Conference of the International Federation for Documentation, Oxford, September 21-5.
- The Fifth International Congress of Photogrammetry, Rome, September 29-October 5.
- The International Committee for the Revision of the International Nomenclature of Causes of Death, Paris, October 3.
- The First International Congress of Fertilizers, Rome, October 3-6.
- The Annual Convention of the Association of Military Surgeons of the United States, Rochester, Minnesota, October 13-15.
- The First International Congress of Agricultural Credit, Rome, October 18-22.

## B. 1939

### IMPERIAL CONFERENCES

- A Health Congress, under the auspices of the Royal Sanitary Institute, Scarborough, England, July 3-8.
- The Ninth Imperial Social Hygiene Congress, London, July 10-14.

## INTERNATIONAL CONFERENCES

- The Eleventh Universal Postal Congress, Buenos Aires, April 1.
- The First International Conference of Salt Codfish Producing Countries, London, April 12-20.
- The Inter-American Travel Congress, San Francisco, April 14-21.
- The National Conference on Nutrition, under the auspices of the British Medical Association, London, April 27-9.
- The International Congress of Military Medicine and Pharmacy, Washington, D.C., May 7-15.
- The Annual Convention of Military Surgeons of the United States, Washington, D.C., May 8-10.
- The World Automotive Engineering Congress, New York, May 22-June 8.
- The Twenty-seventh Session of the International Commission for Air Navigation, Copenhagen, June 6-12.
- The Twenty-fifth International Labour Conference, Geneva, June 8-28.
- "Réunions Médico-Juridiques Internationales pour la Protection de la Population Civile en Temps de Guerre", Liège, Belgium, June 24-8.
- "Journées Médicales de Bruxelles", Brussels, June 24-8.
- An International Conference on High Tension Electric Systems, Paris, June 29-July 8.
- An Informal Conference on Whaling, London, July 17-20.
- The Sixth Pacific Science Congress, San Francisco, July 24-August 12.
- The Seventh World's Poultry Congress, Cleveland, Ohio, July 28-August 7.
- The Seventh International Congress on Genetics, Edinburgh, August 23-30.
- The Third International Congress for Microbiology, New York City, September 2-9.
- The General Assembly of the International Union of Geodesy and Geophysics, Washington, D.C., September 4-15.
- The Second Regional Conference of American States Members of the International Labour Organization, Havana, November 21-December 2.
- The Twentieth Assembly of the League of Nations, Geneva, December 11-14.

## XXI. THE SUMMER SESSION ON INTERNATIONAL LAW

FOR a number of years the Summer Session on International Law, sponsored by the Carnegie Endowment for International Peace, was held at Ann Arbor, Michigan. In 1939, for the first time, it was held in Canada, at McGill University, Montreal, from July 31 to August 31. About forty-five scholars—professors, lecturers, and graduate students—were in attendance from various sections of the United States and Canada, thirty-eight from the United States and eight from Canada. Attendance was limited both in respect of numbers, and on the basis of previous training and experience in the field of international law, so that this was an unusually well-qualified group of scholars.

The following was the 1939 programme of the Summer Session:

### COURSES

The Classics of International Law before Grotius; Classic Projects of International Organization. Lecturer, Mr. James Scott Brown, Director of the Division of International Law, Carnegie Endowment for International Peace.

The Classics of International Law from Grotius to Wheaton; Political Theory and International Jurisprudence. Lecturer, Jesse S. Reeves, Professor of Political Science, University of Michigan.

Territorial Waters; Neutrality; Aerial War. Lecturer, George Grafton Wilson, Professor of International Law, Harvard University.

International Law in the Relations between Great Britain, the United States, and Canada. Lecturer, Percy E. Corbett, Professor of Roman Law, McGill University.

The Modern Sources of International Law. Lecturer, Mr. George A. Finch, Managing Editor, *American Journal of International Law*.

## GROUP CONFERENCES

Pan Americanism. Leader: Dr. Scott.

The British Commonwealth of Nations in International Law. Leader: Professor Corbett.

International Law in International Relations; Territorial Claims in the Arctic and Antarctic. Leader: Professor Reeves.

Problem Cases in Teaching International Law; Seminar Method of Teaching. Leader: Professor Wilson.

Documentation of International Law. Leader: Mr. Finch.

## PUBLIC LECTURES

"Hugo Grotius" (illustrated); "International Boundaries". Professor Reeves.

"Treaty of Versailles—Twenty Years After". Professor Wilson.

"Justiciable and Non-Justiciable Disputes". Mr. Finch.

"Doctrines on the Foundation of International Law". Professor Corbett.

In addition to the above, several Canadian lawyers contributed papers on various aspects of comparative and constitutional law. They included: Mr. C. S. Le Mesurier, Dean of the Faculty of Law, McGill University, on "The Spirit of Civil Law"; Mr. Brooke Claxton, on "The Background of the Canadian Constitution"; and M. Léon Mercier Gouin, on "French-Canadian Thought on Corporatism".

## COUNCIL OF THE SUMMER SESSION

*Chairman:* Dr. James Brown Scott

*Dean:* Professor Percy E. Corbett

Professor George Grafton Wilson      Professor Jesse S. Reeves

*Secretary:* Mr. George A. Finch



PART IV  
DOCUMENTS

*By*  
T. W. L. MacDERMOT



## XXII. INTRODUCTORY

FOR students of Canadian foreign policy the documents which are available—some of which are included in this volume—will in one way be unsatisfactory, in another, very illuminating. Unsatisfactory, because much of the real story of our foreign policy is not to be found in any Canadian documents which are as yet open to the public, and is, perhaps, forever buried in conversations by telephone or otherwise of which there is no record. More deeply still, it is partly buried in assumptions, emotions, and habits of thought which are most tenaciously held in Canada by those who at one and the same time exert the most influence on the course of our foreign policy, and have been least able or inclined to put their motives into plain English.

The extracts from speeches and other documents given in the pages that follow are representative in that they reveal the way in which Canadians are guided and governed in respect of their foreign policy. If they do not contain information that is not already known, it is because little information is given to the Canadian public. Nor has there been any serious official effort to form or steer public opinion on external affairs. It is in the Senate, not the House of Commons, that the most interesting and regular debates on these questions have been carried on, and ordinarily the speeches there receive a good deal less public notice than those in the Commons. Our Ministry of External Affairs, on the whole, observes Walpole's motto, *quieta non movere*, and, except when a few restless spirits in opposition have forced a debate, our Parliament has usually left external affairs severely alone. Then, few take part in the debates in this field, because few know anything about it, and, especially in recent years when the necessity of formulating some sort of policy was becoming inescapable, the matter has usually been muffled up in a protracted summary of the international

news of the previous few months or years. True, general principles have been laid down, and in its happier days the League of Nations was given its tribute of praise and homage, but as related to expenditure, armament, and independent diplomatic action, nothing very specific was said. Some of the documents will indicate this.

They will also show, in miniature, the puzzling confusion and division of mind that have marked the Canadian opinion which lies behind our foreign policy, and that have been partly responsible for the vagueness of the policy itself. Governments have let sleeping dogs lie, because, if aroused, they could really cause trouble—especially if thrown no facts or explanation of realities to keep them quiet. For there has been the imperialism of Mr. Manion as well as the nationalism of M. Maxime Raymond and the collective idealism of Mr. J. W. Dafoe; there have been the fire-eating militarist, the pacifist, and the completely detached, even anti-European non-participationist, all representing important sections of opinion in the Dominion.

This, too, the selected speeches will make clear. Particularly in Mr. King's recent speeches, which have been long and very carefully prepared, there is to be found a remarkably patient and thorough sampling of most of the incipient factors of Canadian policy and opinion in regard to foreign affairs. The present Prime Minister more than once alludes to the slow growth of a united national sentiment and the complexity and variety of regional, historical, and racial standpoints which retard it. The utterances of Mr. R. B. Bennett, Mr. R. J. Manion, Senator Arthur Meighen, Mr. J. S. Woodsworth, Mr. J. W. Coldwell, M. Maxime Raymond, and Mr. J. T. Thorson, examined separately, will show how true this is.

The outbreak of war and the anxious tension of the years that led up to it will perhaps focus almost all attention on this aspect of our external policy—a policy involving Canada along with Great Britain and France in a war against the aggressor Germany. But there have been other, if less exciting, developments in our relations with the outside world.

Canada's diplomatic representation in the capitals of other countries, including the other Dominions, has steadily increased. Our commercial, cultural, and diplomatic relations with the United States are now, as the exchanges between Mr. King and Mr. Roosevelt in 1938 showed, so close as to impinge directly on our views on defence. And for two years the Dominion, through the Royal Commission on Dominion-Provincial Relations, concentrated a vast amount of time and thought on the production of a report which, domestic as it may appear, will, in its consequences, doubtless have far-reaching effects on the development of the Canadian nation, and therefore on the Dominion in its foreign relations. Its publication belongs to the period following that covered by this book, but work was begun upon it in 1937 and the tendencies in national thought which led to it belong to the period with which we are concerned.

Lack of space has made it impossible to include documents on all these topics, but in the speeches and other documents given below will be found in fairly distinct outline the framework of national life within which all these developments have been taking place. This national life is still in embryo—and so too is its foreign policy—and both are now undergoing a new baptism of fire which will test to the very utmost the heritages in which modern Canada was born and cradled.

## XXIII. SPEECHES

### A. UNITED STATES POLICY TOWARDS CANADA

*Excerpts from an address by President Roosevelt at Queen's University, Kingston, August 18, 1938<sup>1</sup>*

. . . Civilization is not national—it is international—even though that observation, trite to most of us, is today challenged in some parts of the world. Ideas are not limited by territorial borders; they are the common inheritance of all free people. Thought is not anchored in any land; and the profit of education redounds to the equal benefit of the whole world. That is one form of free trade to which the leaders of every opposing political party can subscribe.

In a large sense we in the Americas stand charged today with the maintaining of that tradition. When, speaking recently in a similar vein in the Republic of Brazil, I included the Dominion of Canada in the fellowship of the Americas, our South American neighbours gave hearty acclaim. We in the Americas know the sorrow and the wreckage which may follow if the ability of men to understand each other is rooted out from among the nations. . . .

It is impossible not to remember that for years when Canadians and Americans have met they have light-heartedly saluted as North American friends, without thought of dangers from overseas. Yet we are awake to the knowledge that the casual assumption of our greetings in earlier times today must become a matter for serious thought. . . .

We in the Americas are no longer a far-away continent, to which the eddies of controversies beyond the seas could bring no interest or no harm. Instead, we in the Americas have become a consideration to every propaganda office and to every general staff beyond the seas. The vast amount of our resources, the vigour of our commerce and the strength of

<sup>1</sup> United States, Department of State, *Press Releases*, vol. XIX, pp. 123-5, Aug. 20, 1938.

our men have made us vital factors in world peace whether we choose or not.

Happily, you and we, in friendship and in entire understanding, can look clear-eyed at these possibilities, resolving to leave no pathway unexplored and no technique undeveloped which may, if our hopes are realized, contribute to the peace of the world. Even if those hopes are disappointed, we can assure each other that this hemisphere at least shall remain a strong citadel wherein civilization can flourish unimpaired.

The Dominion of Canada is part of the sisterhood of the British Empire. I give to you assurance that the people of the United States will not stand idly by if domination of Canadian soil is threatened by any other Empire. . . .

#### B. PROFITS FROM WAR MANUFACTURES

*Excerpts from the remarks of The Hon. R. J. Manion and The Right Hon. W. L. Mackenzie King, House of Commons, January 16, 1939*

HON. R. J. MANION<sup>1</sup> (Leader of the Opposition): . . . I am convinced that the making of large profits from the manufacture of munitions or armaments is repugnant to the ideals of the Canadian people, whether such profits be made directly through a percentage of the amount of the contract, or by selling stock, or in any other way. The making of huge profits on munitions is looked upon by many of our people as taking blood money, as profiteering in patriotism. Some time ago I expressed this view, . . . as follows:

All arms and munitions needed for the direct defence of Canada should either be manufactured by the government itself or under the complete control of the government, with profits eliminated. . . .

In addition there should be complete control of profits in the manufacture of arms and munitions of all kinds for the United Kingdom.

These proposals are fair, . . . because they leave plenty of opportunity for private enterprise; they give a real opportunity for service to Canada; they assure cooperation and a fair deal to the empire and thereby assure Canadian

<sup>1</sup> *Canada, House of Commons Debates*, Jan. 16, 1939, vol. I, pp. 23-4. Hereafter referred to as *Commons Debates*.

producers of their share of the immense British contracts for munitions and armaments which are required.

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RIGHT HON. W. L. MACKENZIE KING<sup>1</sup> (Prime Minister): . . . I agree with my hon. friend when he says he believes there is no right thinking person in Canada who wishes to see unwarranted profits made out of anything that has to do with war. The whole question as to what is best in the matter of the manufacture of war materials, munitions and other implements of war, whether it is better to have this done under government ownership, or private ownership properly controlled, is one which will come up for full discussion and debate in this house this session. I shall not go into that question now, but I wish to say immediately that for myself, and I speak as well for every member of this administration, and I think I may say for every hon. member in this house, we are determined to see that, where it is necessary for the country to engage in the manufacture of war material, matters are so safeguarded that their manufacture cannot be made a basis for profiteering. . . .

#### C. ABOLITION OF APPEALS TO THE JUDICIAL COMMITTEE OF THE PRIVY COUNCIL

*Excerpt from the speech of The Hon. C. H. Cahan on his bill, House of Commons, April 14, 1939*

HON. C. H. CAHAN<sup>2</sup> (Conservative, Montreal-St. Lawrence-St. George): . . . Mr. Speaker, section 101 of the British North America Act, 1867, enacts that:

101. The parliament of Canada may, notwithstanding anything in this act, from time to time provide for the constitution, maintenance and organization of a general court of appeal for Canada, and for the establishment of any additional courts for the better administration of the laws of Canada.

Pursuant to the powers thus conferred upon the parliament of Canada to provide for the constitution, maintenance and organization of a general court of appeal for Canada, parliament in 1875, by 38 Victoria, chapter 11, enacted the Supreme

<sup>1</sup> *Ibid.*, p. 53.

<sup>2</sup> *Commons Debates*, April 14, 1939, vol. III, pp. 2811-2.



Court Act, which now appears as chapter 35 of the Revised Statutes of Canada, 1927. This statute, in section 35, established the Supreme Court of Canada with "an appellate, civil and criminal jurisdiction throughout the Dominion of Canada."

This bill proposes to extend that section 35 by providing that "The supreme court shall have, hold and exercise exclusive ultimate jurisdiction within and for Canada," and then proceeds to abolish all appeals from any court, now or hereafter established in Canada, to any court of appeal, tribunal or authority by which in the United Kingdom, appeals or petitions to his majesty in council may be heard.

Prior to 1833 the sovereign, by virtue of his royal prerogative, from time to time, by way of special leave, granted appeals from various courts in the plantations, colonies and other dominions of his majesty abroad, to his majesty in council, or in other words to the government of the United Kingdom.

Such appeals to his majesty in council were first regulated by statute by the Judicial Committee Act, 1833. The Judicial Committee Act, 1844, subsequently enacted that her majesty in council was competent by order to provide for the admission of appeals from "any judgments, sentences, decrees or orders of any court of justice within any British colony or possession abroad."

That act of the parliament of the United Kingdom still applies to the "British colony or possession" now known as the Dominion of Canada, and, under its terms, the government of the United Kingdom, on the advice of its judicial committee, may provide for and grant special leave to appeal to his majesty in council from the judgment of any county court, court of sessions or magistrate's court within Canada.

The Colonial Laws Validity Act, 1865, which was enacted by the parliament of the United Kingdom two years before the enactment of the British North America Act 1867, precluded the parliament of Canada from repealing or amending either of the two judicial committee acts which I have mentioned.

However, sections 2 and 3 of the Statute of Westminster (1931) have not removed the fetters which the Colonial Laws Validity Act had previously placed upon the legislative jurisdiction of this and other dominions.

This bill, provided that it is within the legislative jurisdiction of this parliament, will vest in his majesty's Supreme Court of Canada, instead of in his majesty's privy council at Westminster, that is, in the government of the United Kingdom, exclusive and ultimate appellate jurisdiction within and for Canada in civil and criminal matters.

For my own part, I fervently favour that imperial connection which is established by our allegiance to the crown and by Canada's membership, as an autonomous dominion, in the British commonwealth of nations, but nevertheless, I am fully persuaded that the continuance of Canada's amicable relations and good understanding with the government of the United Kingdom will best be promoted by the repeal, so far as applicable to this dominion, of such imperial statutes as the Judicial Committee Acts, which now confer upon the government of the United Kingdom the political authority and the legal right to intervene, at its discretion, in the administration and enforcement of the laws of Canada. Such intervention the people of an autonomous dominion, in my opinion, should not continue to tolerate.

The more free the people of Canada are from the officious intervention in our domestic affairs by the government of the United Kingdom, the more readily will our people assume and fulfil the duties and responsibilities which are implied in our continued membership in the British commonwealth. . . .

#### D. CANADIAN FOREIGN POLICY

- (i) *Excerpt from a speech of His Excellency The Lord Tweedsmuir, Governor-General of Canada, at a dinner of the Canadian Institute of International Affairs, Montreal, October 12, 1937*<sup>1</sup>

. . . On the whole, one may say that till thirty or forty years ago foreign affairs had only an academic interest for the ordinary British citizen.

How different it is today! The world has been telescoped, distances have shrunk, and every nation is in some kind of uneasy bondage to the others. What is happening three thousand miles away may have a direct effect upon the safety and prosperity of the private citizen. Therefore every nation

<sup>1</sup> C. I. I. A. Notes, Nov. 1937, no. 3.

must have a foreign policy in the sense that it must consider its position vis-à-vis the world at large. No country can seclude itself and declare that it will go its own way without troubling its head over what other people are doing. Its political security, its economic prosperity, compels it to have some reasoned attitude towards the outer world.

This attitude must be mainly determined by the citizens themselves. The day has gone when foreign policy can be the preserve of a group of officials at the foreign office, or a small social class, or a narrow clique of statesmen from whom the rest of the nation obediently takes its cue. Today the problems affect us all too vitally in our private interests. The foreign policy of a democracy must be the cumulative views of individual citizens, and if these views are to be sound they must in turn be the consequence of a widely diffused knowledge.

From this duty no country is exempt. Certainly not Canada. She is a sovereign nation and cannot take her attitude to the world docilely from Britain, or from the United States, or from anybody else. A Canadian's first loyalty is not to the British Commonwealth of Nations, but to Canada and to Canada's King, and those who deny this are doing, to my mind, a great disservice to the Commonwealth. If the Commonwealth, in a crisis, is to speak with one voice it will be only because the component parts have thought out for themselves their own special problems, and made their contribution to the discussion, so that a true common factor of policy can be reached. A sovereign people must, as part of its sovereign duty, take up its own attitude to world problems. The only question is whether that attitude shall be a wise and well-informed one or a short-sighted and ill-informed one. Therefore we need knowledge—exact knowledge—and it is one of the objects of this Institute to provide that. . . .

- (ii) *Excerpts from the remarks of The Right Hon. R. B. Bennett, The Right Hon. W. L. Mackenzie King, and The Hon. C. H. Cahan on the training of United Kingdom aviators in Canada, House of Commons, July 1, 1938*

HON. R. B. BENNETT<sup>1</sup> (Leader of the Opposition): . . . The third point has to do with the utilization of portions of this

<sup>1</sup> *Commons Debates*, July 1, 1938, vol. IV, pp. 4523-4.

country for the purpose of training grounds for the training of aviators. There has been much discussion in the public press and in another place with respect to the matter. It is well known that in England there is a limitation on the training that can be carried out in connection with their aircraft, because of the density of population. That is, the limitation imposed upon them with respect to flying and training, because of the very dense population, renders it essential that they should carry on their operations in some other part of the world. I believe Newfoundland was considered at one time; I believe other parts of the British empire have been considered, and the information is that not a request but what is equivalent to it, namely an approach to this government, was made to ascertain whether or not there would be any objection to this being done. Obviously no member of the commonwealth is going to ask this government, and face a refusal, because that is not the way governments do business. But the information I have is that the British government was desirous of finding here an opportunity for the training of flyers and aviators, because of our climatic and other conditions that made such training possible, as compared with the limitations imposed upon them by reason of the density of their population and other matters of that kind.

What I was anxious about was whether the government would not be very greatly concerned to assist in this being done, not only because we are a part of the British commonwealth of nations but also because it would enable us to derive the benefits that would come from such an arrangement. . . .

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RIGHT HON. W. L. MACKENZIE KING<sup>1</sup> (Prime Minister): With respect to what has been asked this morning by the right hon. leader of the opposition in this committee, and with respect to the questions asked by the leader of the Conservative opposition in the senate, I would say that the government has nothing to add to the statement made by the leader of the government in the senate in response to an inquiry by the leader of the opposition in that house. The statement then made was to the effect that no requests have been received from the British government for the establishment in Canada of training centres for aviators of the air force of the United

<sup>1</sup> *Ibid.*, pp. 4526-30.

Kingdom. Confidential and informal exploratory conversations with respect to training of British air pilots have taken place, but nothing has developed which it was felt warranted a statement of policy. As has been indicated, if any proposals are made by the government of the United Kingdom, the Canadian government would of course be prepared to discuss them with that government and to make its position known to the Canadian people and to parliament.

Possibly hon. members have noticed that this matter has been brought up in the British parliament at Westminster where replies have been made to questions asked. In the Ottawa papers on June 30 there appeared a dispatch from London dated June 29 setting forth a reply that Sir Thomas Inskip, Minister for National Coordination, made to a question asked by Sir Percy Hurd, Conservative. Sir Percy Hurd asked what arrangements were being made to enlist Canadian cooperation in the government's rearmament plan. Sir Thomas Inskip replied:

His Majesty's government in Canada, in common with His Majesty's governments in other dominions, have been kept informed in regard to the rearmament program of this country. The possibility of placing orders in Canada is under examination, and orders have been placed in certain cases in which suitable terms, including times of delivery, can be arranged.

I think that dispatch indicates what the British government wishes to give in the way of information on matters which have been the subject of confidential communication between the two governments.

May I say a word with respect to the idea of having the Imperial air force set up flying schools in Canada to train their pilots; in short, a military station put down in Canada, owned, maintained and operated by the imperial government for imperial purposes. I must say that long ago Canadian governments finally settled the constitutional principle that in Canadian territory there could be no military establishments unless they were owned, maintained and controlled by the Canadian government responsible to the Canadian parliament and people. In the end the imperial naval stations and army garrisons were withdrawn and Canadian authority took over.

A reversal of that principle and that historical process at this date is something the Canadian people would not for a moment entertain. Such domestic ownership, maintenance and control of all military stations and personnel is one of the really indispensable hall marks of national sovereign self-government and an indispensable basis for friendly and effective cooperation between the governments of Canada and those of other parts of the British commonwealth of nations, including the government of the United Kingdom. Outside its homeland a state may have military stations and quarter military personnel in countries which it "owns", in its colonies or "possessions", or in its mandated territories according to the trust deed, or in countries over which it has assumed or been yielded, by some arrangement, what amounts to a protectorate. But no country pretending to sovereign self control could permit such a state of affairs or its implications and consequences. I need only add that what I have said has, of course, to be sharply distinguished from the case of actual war where a country may have to permit its partners, associates or allies to maintain, operate and control military establishments and forces within its territory, forced to do so by the actual strategic or tactical necessities and for the purposes, but only for the purposes, of the actual joint war.

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MR. BENNETT: To say that any partner in our commonwealth should not, if it so desired, be given every opportunity to establish training fields for the safety, not of themselves but of the commonwealth, is destructive of the whole theory of 1926 and 1930. We said that we were freely associated with one another, that we were partners, and now we are told that if we try to act as partners we will be violating some unheard of national right.

MR. MACKENZIE KING: There was nothing in the statement I have made to justify any such inference.

MR. BENNETT: It justifies no other inference than that. It can be interpreted in only one sense. The language is clear, it is unambiguous—for a change. But, sir, I do not believe that the people of this country share that view. Every man who has read the history of modern warfare and knows what is being prepared realizes that the bombers of to-day will make the British islands the very forefront of attack in the

next war. They are threatened, and where are they to prepare for their defence, which is our defence? Not in those little islands. And if they want to come here and train and prepare to send their bombers across the ocean if the occasion arises, should they not be permitted gladly to do so and be welcomed? For what they are saving is our civilization, and Canada—and Canada, I repeat. The idea of the first minister of Canada suggesting that this is a Tory trick, when the article to which reference was made by his minister sitting beside him is from the Vancouver Sun, a Liberal paper, of the seventh day of July, 1937, almost a year ago.

MR. MACKENZIE KING: A Tory trick, just the same.

MR. BENNETT: There we have it. What a spectacle!

MR. MACKENZIE KING: What a spectacle. That is what I say.

MR. BENNETT: The idea of the first minister of this country, when the Liberal organ of Vancouver makes this statement and the Minister of National Defence was so impressed with it that he at once instituted proceedings for the purpose of ascertaining its origin—he so stated here this morning, and he got a report. That statement in the Vancouver Sun did not come from me. I heard of it as others did, and I was as shocked as the Vancouver Sun apparently was. I knew nothing of it. I wonder how many members of this house knew anything about its origin. I do not know yet, and the Minister of National Defence says he is unable to find out. But there it was. And today we are told that it is inconsistent with our national sovereignty that the Dominion of Canada should permit training fields and centres to be established here by one of our partners for the defence of our common empire, a commonwealth of nations.

MR. MACKENZIE KING: We establish our own.

MR. BENNETT: We have not the facilities to establish our own to offer to them. I know something of the difficulties even with regard to these 125 men to which reference has been made. I know the clamour of Canadians to join that force. I have had them come to me, not by ones and twos but many more, asking what I could do to assist them to get across the water and join the Royal Air Force. We made provision for a few men training at Trenton and for the medical examination of Canadians going to join the air force in England and we put

a quota on those who desired to join the Royal Air Force. And now we are told it would be inconsistent with national sovereignty that we should permit a partner to provide for a contingency that means our life. Do not let us have any misunderstanding about it. When Britain goes we go. Who stands if freedom fall; who dies if England lives? If it was the last word I ever uttered in this house or with the last breath in my body I would say that no Canadian is worthy of his great heritage and his great traditions and his magnificent hope of the future who would deny to the old partner who established us the right in this country to create those centres which she may not have at home to preserve her life and the life of every man who enjoys freedom and liberty under the protecting aegis of that flag.

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MR. MACKENZIE KING: May I say to my right hon. friend that the course above all others which serves to unite and which serves to keep united the British Commonwealth of Nations is that which is implied in the words "complete self-government on the part of each of the self-governing dominions" and self-government means control by the government of a country over its own military establishments.

MR. BENNETT: Free association.

MR. MACKENZIE KING: Free association but complete control of its own military establishments.

We have in Canada our Department of National Defence; we have our army and our air force and our naval service establishments as the British government have their army and navy and air force establishments under their own control and a responsible minister. You cannot have two military forces operating in individual countries responsible at one time or in part to the one government and at another time and in part to another government. We have to take complete responsibility ourselves with respect to everything we do and for everything that is done here.

MR. BENNETT: This is not a military force but a training force.

MR. MACKENZIE KING: I want the house and the country to understand clearly what is being discussed. My reference was with regard to the idea of having the imperial air force set



up a flying school somewhere in Canada to train their flying pilots. In short, a military station to be put down in Canada, owned, maintained and operated by the imperial government for imperial purposes.

MR. BENNETT: Not for imperial purposes.

MR. MACKENZIE KING: It is for imperial purposes. Is it for Canadian purposes?

MR. BENNETT: Yes, very much so.

MR. MACKENZIE KING: I say that we will look after our own defence in cooperation with other parts of the empire, just as they will look after their own defences in cooperation with other parts of the empire, but that cooperation will be most effectively maintained and carried out by each part managing its own affairs and being responsible to its own parliament for all its actions in respect thereto.

I have made this statement at this time this morning so that there can be no mistake about the attitude of the Canadian government on this question, and if at any time my right hon. friend wants to go before the Canadian people and have this issue fought out, I am quite prepared at the appropriate time to go before them.

MR. BENNETT: I am bound, Mr. Chairman, to say "So am I." I want to say, further, that his own Minister of National Defence is my authority that we are going to depend on the might of our partner, Britain, for our naval defence, and that means our life. That is not what I said, but what the Minister of National Defence said; that means, the defence of Canada by the taxpayer of England, who is denied the right to train his men in Canada for the purpose of protecting that navy.

MR. MACKENZIE KING: I want to take issue at once with that statement.

MR. BENNETT: That is what it means.

MR. MACKENZIE KING: They are two entirely different things. This government has never at any time said that it was not prepared to give in our own establishments the opportunity to British pilots to come over here and train, but they will do it in our own establishments, controlled by our own Minister of National Defence who is responsible to this parliament. That is an entirely different thing from having a branch of the British forces establish headquarters in this country, direct their own men here and be responsible, not to

this parliament for what takes place in Canada as a consequence, but only to the British parliament and the British people. . . .

May I say one word in conclusion. There is not a man in this parliament who believes more strongly in the British Empire and the part it is playing in the world today than myself. I believe that the British Empire can be kept together and made an effective instrument for peace throughout the world by effective cooperation between the self-governing dominions and the United Kingdom. But I do say that any reversal of the trend, of which we are all fully cognizant, that has taken place in the last century with respect to military establishments, whether they relate to the army or the air or to the naval service, would be a factor in dismembering the British Empire and would create all sorts of controversy and discussion in the country, serving no useful purpose in the end. This empire can be kept together by effective, helpful cooperation. This government is prepared to cooperate with the British government and with the governments of all the other self-governing dominions in ways which we believe will most effectively help to preserve the unity of the empire and make it a great force for peace and good will throughout the world and for the maintenance of peace. But we are not going to take a step which we may believe might have the effect of beginning to disrupt the exceptionally happy and united relations which all parts of the empire enjoy today each with the other.

HON. C. H. CAHAN (Conservative, Montreal-St. Lawrence-St. George): I would ask the Prime Minister whether he seriously suggests that affording facilities, at the expense of the government of the United Kingdom for the training of men in flying, with the idea of ultimately employing them in the British air forces for the protection not only of the United Kingdom but of all the other dominions, is a retrograde step. The training of British air forces in Canada would be the first step, it seems to me, in cooperation in that direction. Such reasonable cooperation would not, I think, imply the exercise of British military authority over this country. It would not be a military force; it would not be a force under military control; it would not necessarily be a military establishment at all. It would be simply providing an establishment with

ample facilities in this wide country for training men for ultimate service in the aerial defences of the empire. It seems to me the right hon. gentleman is going very far astray in his definition.

MR. MACKENZIE KING: I am glad my hon. friend has asked the question he has. I wish to go a step further than he has gone, in his statement that this country should cooperate in a way that will be helpful to all parts of the British empire in matters of defence by saying that whereas he proposes that we should have the British government come and pay for establishments which they are supporting in this country for the training of pilots, we ourselves are prepared to have our own establishments here and to give in those establishments facilities to British pilots to come and train here. But they must come and train in establishments which are under the control of the government of Canada and for which the Minister of National Defence will be able to answer in this parliament with respect to everything concerning them.

- (iii) *Excerpts from the remarks of Senator The Right Hon. Arthur Meighen on co-operation with Britain in defence matters, Senate, January 17, 1939*

RIGHT HON. ARTHUR MEIGHEN<sup>1</sup> (Conservative leader in the Senate): . . . The Speech from the Throne refers to the necessity of increasing our defences. Two or three of its paragraphs are very manifestly directed to the conciliation of those elements of our population who are against war expenditure of any kind. The Government have been convinced by the developments of recent months—and likely the process of convincing them has been going on since long before—that more must be done in the way of defence expenditure and preparation than we have been doing in the past. I am in accord with that view. . . . However, from reading the Speech from the Throne one would think that if we just spent five millions more here and five millions more there in the way of defence, or maybe ten or twenty millions more, we should be safe in this little home of ours; that as we were taking care of the situation, we could look after ourselves, bid defiance to the

<sup>1</sup> *Senate Debates*, Jan. 17, 1939, pp. 22-3.

world, and sleep at night. The Government do not believe that for a minute.

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Certainly I approve of expenditure to strengthen our defences; but only to the extent that the money is used in a policy directed towards cooperation with the real defence of this country is the expenditure justified. Therefore there should be reference to that cooperation. When the hour of trial comes we cannot defend ourselves. We never did and never dreamed that we could. Why can we not say we are working in cooperation with that great country which has been our defence all through the life of this Dominion of ours?

I know why the Government do not say it. They know it; everyone, I think, knows it. Did we not have the Prime Minister last September issuing a statement telling of the terrible anxiety and the terrible toil through which he had passed, and the immense amount of work he and his officials had done during the crisis of that month? I can realize that he went through days of anxiety. . . . If there was toil, let us know what decisions were arrived at. What was the harvest of that toil? Tell us what the Government decided to do. . . .

I said I could understand the anxiety. Why was there anxiety? Nobody was threatening war on Canada. Then why the anxiety? The anxiety was felt because the Prime Minister knew, the leader of the Government in this House knew, every member of the Government knew, that a peril to the power of England was a peril to us. They knew there was peril in the whole atmosphere of Europe, and the peril to Britain's power was a peril to the security of Canada. I do not wonder that the Prime Minister was worried. . . . But the reason of the worry was as I have stated it just now. Why do we keep on parading ourselves as capable of looking after the interests of Canada? Why this parade in every line where defence is mentioned in the Speech from the Throne? It is not the truth. We know it is not the truth.

The Speech says also that though we are getting ready to defend ourselves, we are making friends with other countries. The inference is, no doubt, that if we succeed well enough in making friends with those countries they will not attack us. But with whom are we making friends? First, with the United States. That is quite right. But who ever was afraid of the

United States attacking us? We are making friends in a trade way with Great Britain. That is quite right. There is no treaty referred to anywhere else. The rest of the situation remains just as it was: the danger stays just as it was.

I read a speech the other day by one of the senators here—the honourable senator from Inkerman (Hon. Mr. Hugessen). I was appalled to think that such a deliverance could come from an honourable member of this House. I was appalled that we, a portion of the British Empire, a portion of democracy whose first line of defence is the Old Land, should proclaim it our duty to run to the coat-tails of Uncle Sam and tell him that if he will lead we will follow.

I suppose the Government are in constant touch with the British Admiralty and with the British War Office. I beg the Government to tell us frankly that they are taking part in Empire defence; that they are interested in the security of Britain, for they are and must always be; that they are interested in the security of France, and that in the defence of democracy they will not wait until three-quarters of its defences have gone. Let us talk common sense. Let us make use of the instincts of honour and the compulsions of reason that we believe in, every day of our lives, and apply them to these matters of life and death. That is what we are not doing. I am only too eager for Canada to do its share—do all it can. We know we cannot do everything, but we can assist the Old Land in certain ways. We know we are interested tremendously in her strength; that that strength shields us as nothing else can shield us. We ought to stand up frankly and so declare, and so teach our people in every province of this Dominion, instead of trying to conceal it as we are doing day by day, and as is manifestly attempted in this Speech from the Throne.

That is the appeal I make to the leader of the Government. On the facts he cannot have any other opinion than that which I have expressed. He has never given expression to any other opinion, nor has the Prime Minister. Why not be frank about it all? Why continue to have the fact cloaked under this smoky atmosphere of independent defence by ourselves, something we know we are utterly incapable of, something we never professed before, and which we know we cannot possibly develop in days to come?

- (iv) *A bill respecting the status of Canada in time of war, introduced by Mr. J. T. Thorson, House of Commons, February 2, 1939, and later remarks by the same*<sup>1</sup>

MR. J. T. THORSON (Liberal-Progressive, Selkirk) moved for leave to introduce Bill No. 16, respecting the status of Canada in time of war.

He said: The purpose of this bill is to make clear and declare to the other nations of the world the status of Canada in the event of war.

The bill consists of only one section, which declares that:

Canada shall not assume the status of belligerent otherwise than by a declaration of war made by his majesty with specific reference to Canada and only on the advice of his majesty's government in Canada.

. . . The bill is an assertion of the right on the part of Canada to decide whether Canada is at war or not.

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. . . Last Friday I moved the second reading of the bill which stands in my name on the order paper. The principle of that bill is that Great Britain cannot automatically commit Canada to war, that Canada can be committed to war only by a declaration of war made by His Majesty with specific reference to Canada and only upon the advice of His Majesty's government in Canada. This is the first time that this issue has been placed in a concrete form before the Canadian parliament. It has never yet been squarely faced by the Canadian people.

I made it perfectly clear that I was not advocating a policy of neutrality under all circumstances. . . .

- (v) *A telegram received by The Right Hon. W. L. Mackenzie King from a group of leading French-Canadian organizations, with reply*<sup>2</sup>

Montréal, le 21 mars, 1939.

Très hon. William Lyon Mackenzie King,  
Ottawa, Ont.

<sup>1</sup> *Commons Debates*, Feb. 2, 1939, vol. I, p. 539; April 3, vol. III, p. 2509.

<sup>2</sup> Read by Mr. King in the House of Commons (*Commons Debates*, March 27, 1939, vol. II, p. 2281).

Délégués des Sociétés suivantes réunies d'urgence à Montréal et justement alarmées des déclarations de MM. Manion, Hepburn, de la résolution de la Législature d'Ontario, puis de la déclaration de M. King considèrent toute expression de solidarité avec Londres dans les affaires européennes comme extrêmement dangereuse pour l'union nationale au Canada, comme contraire aux intérêts canadiens et à son Status d'Etat libre et font savoir au gouvernement King l'opposition absolue de la population de la province de Québec à toute participation du Canada aux guerres extérieures.

La Société Saint-Jean-Baptiste de Montréal, en son nom et aux noms des Sociétés Saint-Jean-Baptiste des provinces de Québec et d'Ontario;

La Ligue d'Action nationale;

L'Union catholique des cultivateurs;

Les Jeunesses patriotes du Canada français;

Le Bloc Universitaire;

La Confédération des Travailleurs catholiques du Canada;

Le Conseil central des Syndicats catholiques de Montréal;

L'Alliance catholique des Professeurs de Montréal; sections masculine et féminine;

L'Association catholique de la Jeunesse canadienne-française.

\* \* \* \*

Ottawa, le 22 mars 1939.

Le secrétaire,

La Société Saint-Jean-Baptiste de Montréal,

1182, boulevard Saint-Laurent,

Montréal, Qué.

Monsieur le secrétaire,

J'ai bien reçu le télégramme que vous m'avez adressé au nom de la Société Saint-Jean-Baptiste de Montréal et de plusieurs autres associations au sujet de l'attitude du Canada vis-à-vis de la situation internationale actuelle.

Soyez assuré que je ne manquerai pas de porter vos représentations à l'attention de mes collègues du gouvernement.

Veuillez agréer, monsieur le secrétaire, l'expression de mes sentiments les meilleurs.

W. L. MACKENZIE KING

- (vi) *Excerpts from the remarks of The Right Hon. W. L. Mackenzie King, The Hon. R. J. Manion, Mr. J. S. Woodsworth, The Right Hon. Ernest Lapointe, and M. Maxime Raymond on Canadian foreign policy, House of Commons, March 30-1, April 3, 1939*

RIGHT HON. W. L. MACKENZIE KING<sup>1</sup> (Prime Minister):  
... So far as the present government is concerned, the position has been made clear repeatedly, and there is no change in that position today. If Canada is faced by the necessity of making a decision on the most serious and momentous issue that can face a nation, whether or not to take part in war, the principle of responsible government which has been our guide and our goal for a century past, demands that that decision be made by the parliament of Canada. Equally, the system of government we have inherited from Britain, of the close and essential relations between the legislature and the executive, makes it the duty of the government to propose to parliament the course which in regard to particular issues it considers should be adopted, and to stand or fall by the decision.

It has been contended in some quarters that this policy is not sufficiently definite and absolute. What government today, may I ask, is making absolute and irrevocable statements of the policy it will follow, its people will follow, regardless of the contingency, the issues at stake, the position of other countries? I had occasion only a few days ago to refer in this house to the statement made by Mr. Chamberlain at Birmingham as recently as March 17th, in which the Prime Minister said:

I am not prepared to engage this country by new and unspecified commitments, operating under conditions which cannot now be foreseen.

Speaking as the Prime Minister of Canada, I wish to say that I am not prepared any more than is the Prime Minister of Great Britain to engage this country by new and unspecified commitments operating under conditions which cannot now be foreseen.

Canada's attitude as to automatic commitments involving possible or actual participation in war has been asserted time and again both in this parliament and at Geneva. Whether it has been in reference to the application of sanctions under

<sup>1</sup> *Commons Debates*, March 30, 1939, vol. III, pp. 2417-25.



Article 16 of the covenant of the league or to participation in wars apart altogether from the league, Canada's position has been the same, namely, that in either case the approval of parliament will be required.

At the seventeenth session of the Assembly of the League of Nations in September, 1936, in the presence of British ministers and representatives of other nations of the British commonwealth, and of other member countries of the league, I stated the position as I then understood it, very clearly. No exception so far as I am aware was taken at Geneva, at the time, to that statement nor has exception been taken to it since, by any political party at Ottawa, though the statement of Canada's position as therein set forth has been drawn to the attention of parliament at each subsequent session.

I feel I cannot do better at this time than to quote once more essential paragraphs of the statement making clear that they define, as accurately as I believe it is possible to define it, the position of the present government in the matter of Canada's participation in war whether it arises out of our membership in the league of nations or our membership in the British commonwealth of nations.

The paragraphs I regard as pertinent are the following:

There is another factor which inevitably influences Canadian opinion on many league policies, and particularly on the question of automatic obligations to the use of force in international disputes. I have in mind our experience as a member of the British commonwealth of nations. The nations of the British commonwealth are held together by ties of friendship, by similar political institutions, and by common attachment to democratic ideals, rather than by commitments to join together in war. The Canadian parliament reserves to itself the right to declare, in the light of the circumstances existing at the time, to what extent, if at all, Canada will participate in conflicts in which other members of the commonwealth may be engaged.

There is a general unwillingness of peoples to incur obligations which they realize they may not be able in time of crisis to fulfil, obligations to use force and to use it at any place, any time, in circumstances unforeseen, and in disputes over whose origin or whose development they have had little or no control. This difficulty of automatic intervention

increases rather than decreases when conflicts tend to become struggles between classes, between economic systems, between social philosophies and, in some instances between religious faiths, as well as between states.

The Canadian House of Commons by unanimous resolution has made the adoption of undertakings to apply either military or economic sanctions subject to the approval of parliament.

What I have said and quoted does not mean that in no circumstances would the Canadian people be prepared to share in action against an aggressor; there have been no absolute commitments either for or against participation in war or other forms of force. It does mean that any decision on the part of Canada to participate in war will have to be taken by the parliament or people of Canada in the light of all existing circumstances; circumstances of the day as they exist in Canada, as well as in the areas involved.

I cannot accept the view which is being urged in some quarters today, that regardless of what government or party may be in office, regardless of what its policy may be, regardless of what the issue itself may come to be, this country should say here and now that Canada is prepared to support whatever may be proposed by the government at Westminster.

The international situation changes from year to year, sometimes from week to week; governments change, their personnel changes, policies change. Absolute statements of policy, absolute undertakings to follow other governments, whatever the situation, are out of the question. At the same time the decisions that would be made by our government and parliament, like those of other governments and other parliaments, are not incalculable, not matters of chance and whim. Much of course would depend on the special circumstances of the day. But equally important in determining our attitude are certain permanent factors of interest, of sentiment, of opinion, which set the limits within which any feasible and united policy must be determined.

May I refer to some of these known, in fact, obvious factors.

The first factor is the one that is present and dominant in the policy of every other country, from Britain and Sweden to Argentina and the United States. I mean the existence of a national feeling and the assumption that first place will be

given to the interests, immediate, or long range, of the country itself. The growth of national feeling in Canada has been inevitable at a time when nationalism has come to dominate every quarter of the world. It is a more defensible and enduring growth than in many other lands. It is not based on any desire for expansion or revenge. This half continent affords ample room and the material basis for the building of a great nation. It is clear that this widely scattered dominion can only be welded together by the action of a positive and distinctive Canadian patriotism. A strong and dominant national feeling is not a luxury in Canada, it is a necessity. Without it this country could not exist. A divided Canada can be of little help to any country, and least of all to itself. The national feeling has found political expression in the steady growth of self-government, at first in domestic, later in external affairs. It has stood the test and the strain of economic depression and of the local differences to which depression gives a temporary importance. We are and will remain Canadians, devoted, first and last, to the interests of Canada, but Canadians, I hope, who will be able to take a long range as well as a short range view of what Canada's interests require.

In many, but certainly not in all cases, this growth of national feeling has strengthened the desire for a policy which its defenders call minding one's own business and which its critics call isolationism. Assuming, it is urged, that Canadians like other people will put their own interests first, what do our interests demand, what amount of knight errantry abroad do our resources permit? Canada, it is contended is not a country of unlimited powers; it has not the capacity to stand indefinite strains. We have tremendous tasks to do at home, in housing the people, in caring for the aged and helpless, in relieving drought and unemployment, in building roads, in meeting our heavy burden of debt, in making provision for Canada's defence, and in bringing our standards of living and civilization to the levels our knowledge now makes possible. There is no great margin of realizable wealth for this purpose; we must, to a greater or less extent, choose between keeping our own house in order, and trying to save Europe and Asia. The idea that every twenty years this country should automatically and as a matter of course take part in a war overseas for democracy or self-determination of other small nations,

that a country which has all it can do to run itself should feel called upon to save, periodically, a continent that cannot run itself, and to these ends risk the lives of its people, risk bankruptcy and political disunion, seems to many a nightmare and sheer madness.

A second enduring factor is our position as a North American nation, and particularly our neighbourhood to the United States. Geographically that position has not changed in the past thirty or forty years, but our appreciation of the position has changed. There was a time in the memory of all of us when friction was more in the picture than friendship, when memories of old conflicts, line fence disputes on tariffs or on boundaries or on fisheries, together with the irresponsible colonial position of Canada, and the misconceptions and sectional interests that flourished in the United States, prevented our being the good neighbours we should have been. In the past generation, and particularly in the past ten years, there has come a great and heartening change in that relationship. We have come to know one another better. Individual contacts have increased by business intercourse, by tourist travel, by the agencies of press and radio. Government contacts have increased by the exchange of legations and visits of members of governments. The changing position in the world outside has put both our occasional and slight differences, and our great and enduring common interests, in their proper perspective. It is a realization of the wider implications of self-interest.

We have been considering at length this session, . . . the new trade agreement with the United States. I shall not do more than refer to that achievement as one of the main objectives of our foreign policy, a definite contribution to stability and goodwill. . . .

There is another phase of that relationship which was crystallized in a notable speech last summer. August, 1938, is as important in North American annals as September was in the annals of Europe. In that month, speaking in Kingston, the president of the United States declared:

Happily, you and we, in friendship and in entire understanding, can look clear-eyed at these possibilities, resolving to leave no pathway unexplored and no technique unde-

veloped which may, if our hopes are realized, contribute to the peace of the world. Even if these hopes are disappointed, we can assure each other that this hemisphere at least shall remain a strong citadel wherein civilization can flourish unimpaired.

The Dominion of Canada is part of the sisterhood of the British empire. I give to you assurance that the people of the United States will not stand idly by if domination of Canadian soil is threatened by any other empire.

These significant words met with instant and appreciative response from press and public in Canada. As presenting what I believed to be the Canadian attitude, may I quote part of the remarks I made at Woodbridge shortly afterwards:

We know that these words of assurance are the words of a friendly people and neighbour. . . . We recognize the president's words as fresh evidence of the special neighbourly relations which have grown up between Canada and the United States, and we are glad that we are valued as a neighbour . . .

The people of Canada deeply appreciate all that is implied by the president's visit. At the same time they know they have their own responsibilities for maintaining Canadian soil as a homeland for free men in the western hemisphere. They will recognize that there is no room today for shirking these responsibilities. Indeed, the times being what they are, they will be quick to see that the assurance given by the president has, if anything, increased rather than lessened our responsibilities.

. . . What I should like particularly to emphasize is that these closer and more responsible relations with the United States have not in any way lessened the intimacy of our relations with the United Kingdom. On the contrary, this development has been paralleled by a clearer understanding by those two great countries of the ideals and interests they share together. This has found notable illustration in the paralleling of a Canada-United States trade agreement by a United Kingdom-United States agreement. . . .

During recent months it was in fact suggested in many quarters that Canada should be represented at the eighth international conference of American states, held in Lima,

Peru, in December. I can assure the house that the government shares the view of the importance of our relations with the score of other nations which have become established in this western hemisphere. On geographical grounds alone, we could not be uninterested in developments affecting their welfare and security. We realize that in many cases these peoples are facing problems similar to those that Canadians have to meet, and that the solutions they have found, or are striving for, have significance for us. In the economic field our trade relations are important and are capable of extensive increase.

So far as the specific suggestion of participation in the Lima conference is concerned, I may recall that we are not a member of the Pan-American union, and consequently could not have been invited to attend, since in accordance with established rules, the president of Peru sent invitations only to members of the union. Moreover, as hon. members are aware, Canada could not become a member of the Pan-American union unless and until the constitution of that body was altered, since at present its membership is restricted to "American republics." It was, however, suggested that we should send an official observer. That procedure, also, I may point out, is not feasible under the existing practice of the union. Some question as to official observers arose at the Montevideo conference in 1933, and the matter was later considered by the governing board. The board, after referring to the fact that since the Havana conference of 1928 both plenary and committee sessions have been open to the general public, concluded that "there seems to be no reason for establishing a category of 'official observers'."

These are, however, somewhat technical considerations. It would be possible to propose or have a friendly member propose that the necessary adjustments should be made in the constitution and procedure of the union to make our membership possible. Public opinion in favour of some such course has undoubtedly increased in recent years. I do not, however, consider that it has yet become sufficiently widespread, or sufficiently informed and matured, to warrant immediate steps in that direction. It is a possibility which should be given consideration in the future, along with other means, trade and

governmental, of bringing about closer relationships between our country and these countries which are destined to play an increasingly significant part in the world's affairs. . . .

A deeper interest and a vital factor in the determining of Canadian policies is our concern for the strength and welfare of the United Kingdom. It has its foundation in ties of kinship and personal contact. It is probably true that, for most people, as years pass, the centre of political gravity tends to shift from the land of their fathers to the land of their children. Probably most of those of us whose ancestors came from the British Isles stand midway in this respect between our French-speaking fellow-citizens whose ancestors have been established here for three hundred years, and newer comers who, in some instances, naturally think still in terms of the life and ways of the land they have left. But the feeling of personal interest on the part of Canadians generally in what is affectionately termed the old country is still a very strong and determining factor.

It is, of course, not the only reason why the fate of Britain gives us special concern. Ties of trade are strong. Still stronger is the admiration, which is not confined to those of British ancestry, for what Britain is and what she has given to the world, the free institutions she has developed, the tolerance and ability to reconcile opposing points of view which mark her political life, the insistence upon individual liberty, the devotion to public duty and the readiness to do public service without regimentation or reward.

In times like these there is a special recognition of the fact that Great Britain, today, whatever may have been the case in the past, has no territorial ambitions, no designs on any other people's land or liberty, and that her influence is the main force in the world for maintaining peace. A world in which Britain would be weak would be greatly worse for small countries than a world in which she was strong. Finally there are the historical and political ties—the allegiance to the same king; the common human interest in the holders of the crown; the free association in the same commonwealth. With Britain's strength is also associated a sense of our own security. Particularly at a time like the present, where there are evidences of a desire of world domination by force, have we reason to feel

that an act of an aggressor aimed at the destruction of Britain would constitute a menace to the freedom of every nation of the British commonwealth. All these forces combine to make concern for the security of Britain a deep-felt and powerful factor in the shaping of Canadian policy.

Any realistic survey of the Canadian scene will make it clear that these varying factors play their part in the shaping of opinion and policy in Canada. No one of them can be ignored. No one can be taken as the sole directing force. They do not necessarily conflict; they may increasingly work together. That depends on the special circumstances and on the policies of other countries than ours. That is why it is impossible in the case of our country, as of others, to give what some people seem to desire, a hard and fast statement in advance as to the action that will be taken in hypothetical future cases that may arise in this rapidly shifting world.

Within the limits I have indicated, a decision on each issue must be made. As I have said, it is for the government to recommend and for parliament to decide upon the course to follow. It is, however, objected that in some cases, and particularly in the event of another member of the British commonwealth, which in present conditions means the United Kingdom, being at war, parliament has no freedom to decide, that Canada is automatically a belligerent whenever the United Kingdom is. In some quarters it is further urged that assuming this to be true, we should, in order to make freedom of choice a reality, take formal steps here and now to remove any doubt on the matter, to make it clear to the world that Canada has the right to remain neutral, not a belligerent, whether passive or active, when the United Kingdom is at war.

The constitutional relationship of the several members of the commonwealth in the event of war is not a simple question. It is not one that can be determined by quoting detached phrases from resolutions or speeches. . . .

. . . it is frequently suggested that action should be taken at once, whether by the parliament of Canada alone, or by the parliaments of Canada and the United Kingdom acting jointly, to establish the right of Canada in the event of war to choose between the status of belligerency and the status of neutrality. Or as it is sometimes put, it is urged it should be established that the sole advisers of his majesty who can



advise him to issue a declaration of war as regards Canada are his majesty's Canadian advisers.

In considering this question it is essential to bear in mind the limitations of any parliamentary action that might be taken regarding the exercise of ministerial advice to the crown; for example, what action should be taken by parliament to provide that a declaration by his majesty on the advice of his Canadian ministers will be necessary to give Canada the legal status of belligerency.

It would not be consistent with the actual facts to conclude that the original legal position in this regard had not been modified in any degree by the long and far-reaching trend of constitutional development. Equally it would be closing one's eyes to facts to imagine that action of the character suggested would solve all the anomalies or contradictions in the commonwealth relationship. It should certainly not be overlooked that declarations of war have in some measure gone out of fashion. The proposal would obviously not meet the case where no declaration of war was made. Nor can it be assumed that any such declaration would necessarily deter the enemy from taking immediate hostile action on the ground that the general relationship between the several members of the commonwealth warranted it in regarding all parts as belligerents. In this respect, Sir Wilfrid Laurier's statement still expresses a reality which we cannot ignore and for which we must make due preparation in defence.

I recognize that those who are advocating and supporting the proposal<sup>1</sup> to which I have referred regard it as a logical consequence, a necessary implication, of our long evolution toward self-government. It registers the conclusion that it would not be consistent with the present relationship of the members of the commonwealth to hold that the king would act for Canada as regards war and peace on the advice of any other one of his governments, but not on the advice of his government in Canada itself. It is put forward as a recognition of the necessity of the people, the parliament, the government of this country accepting adult responsibility for a course that so vitally affects them, rather than throwing the responsibility on other members of the commonwealth or their governments.

<sup>1</sup> See the text of Mr. Thorson's bill, above, p. 286.

I do not myself think that at the present time it is either necessary or desirable to seek the enactment of such legislation. . . .

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HON. R. J. MANION<sup>1</sup> (Leader of the Opposition): . . . Now, sir, I come to another question, and it is this: Could Canada be neutral, and yet remain in the empire? Perhaps it is effrontery, if you like—some other word may be suitable—for one like myself, who is not a lawyer, to discuss such a question. I have, however, read on the subject very widely for over twenty years. I well remember that in the Kam Club in Fort William to which I belong many of us used to sit round the club rooms and discuss such questions as this. At that time, twenty years ago—and I am not sure whether it was before or immediately after I came to this house—I came definitely to the conclusion that there was only one way for Canada to declare neutrality in war, and that would be by declaring her independence of the British empire. It is a very important question. There are those in this country—lawyers, some of them—who take the view that we could be neutral and yet remain in the empire. Others take the negative point of view. On this question I belong to those who hold the negative point of view. I feel it is impossible for Canada to be neutral and still remain in the empire. My conviction is that the only way in which Canada could declare neutrality in a British war would be to declare her independence of the empire.

I feel—and I think it is the feeling of most Canadians who have given thought to this subject—that we cannot be in and out of the empire at the same time. It seems to me that it would be just as impossible for us to be neutral in a war in which Great Britain participated as it would be for my right arm to be defending my body against an assailant wishing to take my life, while my left arm remained friendly with the assailant. It seems very clear, to me at any rate, that it is just as logical as would be the idea of neutrality for Canada while remaining in the empire. We cannot be neutral and at the same time remain part of a great empire, with its advantages of empire trade, with its defence of our trade routes to the rest of the British empire, and so on.

<sup>1</sup> *Commons Debates*, March 30, 1939, vol. III, pp. 2436-7.

What is perhaps more important, we cannot declare neutrality and be independent, without throwing away the advantages of the British North America Act, with the minority rights, on religion, race and language which that act gives to the people of this country.

The British North America Act is a British statute. It would go, it seems to me, unquestionably, if we declared independence. I think that should be emphasized. Those who maintain that we could be neutral should take the stand that they want independence in Canada. That is my opinion. If there are those who wish Canada to be independent of the empire, then they should say so. But I believe we should brush aside as impossible any other method of becoming neutral.

Let me ask this: Who, in all this country, wants Canada's independence from the empire? I know of no large group anywhere which does not want to remain in the empire. If I remember rightly, only the other evening, right here in the House of Commons, the Minister of Justice rose in his place and in an eloquent manner told with pride of remaining in the empire, and a desire to continue in it. I think I am not misquoting his expressed idea although I am not attempting to give his exact words. That, to my mind, is the attitude of practically everybody in Canada today. They are all proud to belong to the empire; they are all loyal to the king. I thought I had here some quotations by an hon. member of French-speaking ancestry. He spoke in the house the other evening and he made that loyal position very clear. Apparently I have mislaid his remarks, although I thought I had them in my papers. I believe that is the viewpoint of all thoughtful Canadians of French-speaking ancestry. As it is, I think, of all thoughtful Canadians of English-speaking ancestry. They want to remain part of this empire, loyal to our king.

It is confused thinking to propose any such thing as neutrality while yet remaining in the empire. To my mind it is not a legal question, and that is why I have attempted to offer my opinion upon it. It is not a question of legal hair-splitting or sophistry; it seems to me it is a question of common sense, justice and fair dealing toward the whole British commonwealth of nations. May I repeat that in a perhaps more concise form. I know of no considerable group

in Canada which desires that Canada should not remain part of the empire. There is no doubt in my mind that while we are part of the empire, if Great Britain becomes engaged in war at any time, the enemies of Great Britain will consider themselves at war with Canada as well as with other parts of the empire. Therefore, if Great Britain is at war, Canada is liable to attack and so we are also at war, whether we are attacked or participate in the war, which participation, of course, must be decided by the Canadian parliament. . . .

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RIGHT HON. ERNEST LAPOINTE<sup>1</sup> (Minister of Justice): . . . We have, though it is of our own free will, kept the amending of our constitution in the hands of the Westminster parliament. We have not done away with appeals to the judicial committee of the privy council. I cannot say that two parliaments are quite sovereign and equal the one to the other when one of them has to go to the other to enact its most important legislation, that which relates to its own power of legislating. The same applies to the judicial appeals to the privy council. I myself have always been in favour of Canada's amending its own constitution when it sees fit. I have always been in favour, also, of having in Canada the last court of appeal for Canadian decisions. But many people in Canada are inclined the other way; and may I say that in my own province those who are most eager to declare that we would have nothing to do with any war of Britain or of the commonwealth are those who refuse peremptorily to have the right to amend their own constitution or to abolish appeals to the privy council. Surely the concept of neutrality is linked with that of a sovereign state. It is contrary to international principles to recognize the possibility of one country being neutral and another a belligerent when they are not separate sovereignties and when one is linked with the other in respect of its own power of legislation. Of course this could be changed, but it has not been changed, and I hope that some people in my province who are so peremptory in their declaration of views on the present question will help me in the future in doing away with those two things which they themselves want to keep.

<sup>1</sup> *Commons Debates*, March 31, 1939, vol. III, pp. 2466-7.

We have a common national status. A British subject in Canada is a British subject in Britain. We have the use of the diplomatic and consular functions of Britain. Our criminal code would preclude, in many sections of it, any notion of neutrality. Many sections are based on the principle that Canada is engaged in a conflict when Britain is so engaged. The Foreign Enlistment Act of the United Kingdom which was in force in Canada until 1937, made it an offence to enlist Canadians for service in armies of countries at war with the king. We enacted similar legislation in Canada two years ago. In a case of neutrality this would have to be changed. We could not make it an offence to enlist in the armies of other countries while Canadians could enlist in the armies of Britain.

The British preference would be another obstacle. It is a family arrangement, and if we were no longer a member of the family I do not see how foreign countries could accept a continuance of the preference.

Then, Mr. Speaker, there is the matter of shipping legislation. If Canada was neutral the entire British merchant marine could shift its registration to Canadian ports, which would be inconsistent with the concept of neutrality.

. . . Perhaps I might give the definition of neutrality as laid down by Oppenheim, a leading author on international law:

Neutrality may be defined as the attitude of impartiality adopted by a third state towards belligerents and recognized by belligerents, such attitude creating rights and duties between the impartial state and the belligerents.

Can such an attitude of impartiality be possible in Canada during a war in our present international situation? A neutral state, as I said, would have to intern British troops or war vessels. I ask anyone of my fellow countrymen whether they believe seriously that this could be done without a civil war in Canada. A neutral state would have to possess forces sufficient to deter any belligerent power from violating these neutrality rights, which Canada would have to uphold even against Britain if it were neutral.

It is clear that under the circumstances the right itself is meaningless. There is only the policy of neutrality, which

would be rather a hazardous policy, hardly compatible with the national situation of Canada. . . .

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MR. MAXIMÉ RAYMOND<sup>1</sup> (Liberal, Beauharnois-Laprairie) (Translation taken from Hansard): Mr. Speaker, the problem of our external relations has always been very important, but the events of the last two years and of recent days have made it foremost.

Since about two years, rumours of war in Europe have been more or less current. Great Britain, by reason of its economic interests, cannot remain indifferent to developments which endanger her world markets; the possibility of her becoming involved in armed conflict as a result has given rise to the question of Canadian participation in empire wars.

The question is not a new one, but since the Statute of Westminster it has taken a new aspect, and it is important to solve it according to the spirit of this new charter.

It is at present a cause of uneasiness in this country, and if we do not want this uneasiness to continue, with regrettable consequences, it is essential that we should state our position in clear and unmistakable terms.

It is undeniable that the Canadian people are far from being unanimous on the attitude to take in the event of a war involving England. Whence comes the difference of opinion? It must be admitted that too many people do not want to think and act as true Canadians.

Reason, and not sentiment, should dictate the approach to the question, especially in a country peopled by subjects of diverse origins. For my part, it is as a Canadian purely and simply, and in the sole light of Canadian interests, that I intend to discuss it.

What should be our attitude in the event of a foreign war involving England? Our attitude should be dictated by our interest and by our determination to maintain peace at home and peace with other countries. Such is the attitude taken by the Prime Minister in the remarkable speech, stamped with Canadianism, which he delivered on the 24th of May last, at a time when the European situation was very tense:

In times of world disturbance, the policies of no two countries can be alike, provided they are rooted in their

<sup>1</sup> *Commons Debates*, April 3, 1939, vol. III, pp. 2542-5, 2548.

own interests or the ideals in which their interests are sublimated, and are not merely echoes of the policies of other countries.

This is how the Prime Minister defined our external policy:

Our foreign and external policy is a policy of peace and friendliness, a policy of trying to look after our own interests. . . . It is a policy which takes account of . . . our geographical situation, the limited numbers and the racial composition of our people, our stage in economic development, our own internal preoccupations and necessities—in short, a policy based on the Canadian situation.

And further:

We have neither the power nor the will to attack any other land for our own ends. Nor are we inclined to organize or join in crusades in other continents. . . . We have neither the power nor the knowledge to settle the destinies of countries thousands of miles away. We are no more likely of our own motion to intervene in Europe than Sweden or Bulgaria or Switzerland is to intervene in America.

All those who rejoice in the fact that Canada has become a free and sovereign nation and absolute mistress of her own policy, have greeted with satisfaction these clear and unequivocal statements.

According to the Prime Minister, our external policy was on May 24 last a policy of peace and friendliness based on our own interests and admitting of no probability of intervention in Europe. This attitude is in full accordance with the rule followed by all free peoples.

A few months later, on December 12th last, the Prime Minister of England made the following reply in the British House of Commons:

No treaty or agreement with France places us under any specific obligation to grant any military assistance to that country in the event of her being attacked by Italy.

And the following day, at the Foreign Press dinner, he stated in unmistakable terms England's position in regard to France:

Our relations with France go far beyond purely legal obligations; they are based on identity of interests.

It must not be forgotten, indeed, that national interests are often a better guarantee than treaties or ephemeral alliances.

To complete this argument, I shall quote the opinion of a prominent French author, Lucien Romier, who wrote as follows:

The state, in its relations with other states is the very expression of national egoism, and statesmen cannot rid themselves of this egoism without betraying their mandate.

As to the question of participation in an armed conflict involving the United Kingdom, the Prime Minister of Canada said in the same speech of May 24th last:

Parliament will decide upon our course.

And he quoted a previous statement made at Geneva in September 1936:

The Canadian parliament reserves to itself the right to declare, in the light of the circumstances existing at the time, to what extent, if at all, Canada will participate in conflicts in which other members of the Commonwealth may be engaged.

And further:

The simple fact of being part of the British Empire does not necessarily involve us in a war in which other parts of the British Empire may be engaged.

There has apparently been a change since then. What has happened? Would it be due to the events of September last, which brought Europe within an ace of war?

However it may be, on January 16th last, the Prime Minister, speaking in the house, resurrected an old formula of colonial times which he adopted as his own:

When England is at war, we are at war and subject to attack.

That, to my mind, is a return to colonial days. What has become of the end so obstinately and successfully pursued



since 1921 by the Prime Minister (Mr. Mackenzie King) and the Minister of Justice (Mr. Lapointe)?

On March 20th, in a carefully prepared statement, the Prime Minister anticipated the decision of Parliament in the event of there being a prospect of an aggressor bombing London from the air. And Friday last the Minister of Justice specified that the decision would be one of intervention.

Such a policy, in my opinion, implies Canada's participation in a European war; it is an invitation to aggression and a menace to national unity.

In the face of this situation, I wish to state to the house my views, which are those of the very great majority of the people I represent, as expressed in numerous resolutions. In this connection, I may point out that my constituency of Beauharnois-Laprairie comprises the county of Laprairie, formerly represented by Dominique Monet, who in 1899 opposed the sending of Canadian contingents to South Africa, and later on by Roch Lanctot, who was a strong opponent of military appropriations.

Why should we join in an extra-territorial war involving Great Britain? We have no legal obligation. We are free. The Prime Minister pointed this out on several occasions, notably in a speech which he delivered on July 19th, 1937, on his return from an imperial conference:

The delegates to the conference unanimously agreed on the full liberty of action of each government in the domain of foreign policy, of defence and in other matters. They also laid equal emphasis on the fact that their parliaments remained supreme in those fields.

The then Prime Minister of England, Mr. Baldwin, had already recognized that:

The members of the British commonwealth of nations were absolutely free to decide for themselves upon their defence policy. (British House of Commons, February 22, 1937.)

On August 25, 1938, at Toronto, Lord Stanley, then Secretary for Dominion Affairs, stated:

Is Canada at war when Great Britain is at war? Certainly not. Canada makes her own decisions. She is a sovereign nation and decides for herself.

On December 5 last, in the British House of Commons, Mr. Chamberlain admitted that:

Canada has the right to decide for herself whether she should come to the assistance of Great Britain in case of attack.

Furthermore, the Statute of Westminster gives Canada the right to avoid interfering in a war in which England takes part. We have no obligation—let us act accordingly.

Would we take part in an armed conflict in Europe, in Africa or in Asia, in order to serve our interest or the interest of the British empire?

It is agreed that every country must base and effectively bases its actions on its own interest. Well, I wonder what interest we would have to fight three or four thousand miles away from our frontiers. Surely it would not be to defend our territory; it is easier to protect ourselves at home rather than three to four thousand miles from our borders.

Would we go to war in order to satisfy a lust for conquest?

We have no territorial ambition. We have proved it during the war of 1914. We went to that war and came back from it. But that experience has cost us, so far, approximately 5 billions of dollars and it will cost us 160 millions per year for an indefinite period; we have had 60,000 killed, a great number of wounded, etc. Among the victorious countries, only Canada received nothing, while Great Britain, for whose sake we fought, benefited from the victory by an increase of the empire in the form of colonial mandates, the possibility of increasing the international trade which is its very life, and by the destruction of the German fleet.

Would we go to war in order to protect our trade?

First of all, our oceanic trade is done by English or foreign boats which those countries have an interest to protect in order to insure their own food supplies. Moreover, according to an article published by Professor Scott in *Foreign Affairs* of January, 1939, the cost of a war would far exceed the amount of our exports.

Would we go to war in order to save democracy and insure peace?

This was the slogan in 1914. What a success it was! We were to save democracy and civilization, and we in reality

prepared the advent of dictatorships. We were to insure universal peace, and never before have rumours of war been more persistent. And such were the achievements of the victors of the great European war to which we participated, because every victorious nation, with the exception of Canada, sought to obtain the greatest benefits from victory.

Would we go to war in order to protect our territory and our lives?

We are protected by our geographical situation and by our neighbours: the Arctic ocean on the north, the Atlantic on the east, the Pacific on the west and the United States on the south.

We are protected by the statements of the President of the United States who has promised to defend this country against any external attack.

We are protected by the declaration of Lima on the solidarity of American nations, which entails the defence of the territory of America against any interference from a foreign power.

Finally, we are protected by our friendly relations with all countries.

While on the subject of the Lima Conference, let me express the regret, sir, that Canada was not represented there, especially when our interests were at stake and when a vacant seat is reserved for Canada in the Pan-American Union Hall in Washington.

The prime minister told us that Canada could not be invited as it is not a member of the Pan-American Union. But is not that vacant seat an invitation in itself, or at least the first step in our direction? Canada could or should have taken the second step.

Is it not in the interest of our country, which is an American country, to take part in Pan-American conferences, as it is in the interest of other countries of America?

We take part in European conferences; we are represented at the League of Nations, and all that costs much money. In certain quarters we are even asked to participate in a European war, under colour of defending peace and democracy, against totalitarian states, or under pretence of defending Canada. But when, on this continent, all American countries gather together in order to seek means of defending democracy and

peace against totalitarian states, of defending American territory, Canada, which is an American country, keeps aloof.

I seriously wonder if it was for fear of injuring the interests of the British empire? And we have cause to ask ourselves if our foreign policy is not dictated by London; if we really are as free as we are told, free to look after our interests first, or if we are in the tow of England.

As a nation, we have the right to shape our foreign policy which must be based on our needs, independently of the needs of other countries. We must look to our own interests, which lie on the American continent. . . .

Let us never forget Lord Tweedsmuir's statement:

The first duty of a Canadian is to Canada.

Let us therefore adopt a policy tending to ensure peace, especially internal peace which is even more vital than the other. The dismemberment of Czechoslovakia should be a salutary lesson in this regard.

Let us not endanger the internal peace of Canada by deciding to participate in any war for the defence of foreign interests.

The Canadians of French origin are Canadians first; they are strongly bound to Canada, their mother country, and their only desire is to strive for her development in harmony and peace, with the protection of two mighty oceans and of the great American nation. They hate war but do not fear it when it is a matter of defending their own soil, as history will bear witness. Let us not force them to defend foreign lands and thereby invite their own ruin. . . .

#### E. CANADIAN PARTICIPATION IN THE WAR

*Excerpts from the remarks of Major J. W. Coldwell and The Right Hon. Ernest Lapointe, House of Commons, September 9, 1939*

MR. J. W. COLDWELL<sup>1</sup> (C. C. F., Rosetown-Biggar): . . . Our statement of policy reads:

The Cooperative Commonwealth Federation declares that its duty and the duty of every Canadian is at all times to secure the unity and welfare of the Canadian people. In

<sup>1</sup> *Commons Debates*, Sept. 9, 1939, Second Session, p. 55.

this crisis we place this loyalty first without being unmindful of our responsibilities as a democratic country in the present world.

The Cooperative Commonwealth Federation believes that the same struggle for trade supremacy and political domination which caused the last war, and was perpetuated in the Versailles treaty, is again the primary cause of the present conflict.

We have repeatedly warned that once the principles of the League of Nations were abandoned and the governments of Europe reverted to power politics and secret diplomacy, anarchy and war would inevitably follow.

The Canadian people have had no voice in the foreign policies of the European governments which have brought us to the present tragic position. Owing to the failure of our government to clarify our constitutional relations, Canada has been committed to a war policy even before parliament has had an opportunity to declare its will. The Cooperative Commonwealth Federation condemns the measures by which the Canadian government has placed this country on a war footing.

Nevertheless, the Cooperative Commonwealth Federation recognizes that Canada is now implicated in a struggle which may involve the survival of democratic institutions. We consider that in the cause of the allied powers lies a hope of building European peace on a more secure foundation because, in part at least, the people of Britain and France are waging a war against aggression.

In view of these considerations, the Cooperative Commonwealth Federation believes that Canada's policy should be based first on the fundamental national interests of the Canadian people, as well as on their interest in the outcome of war. Canada should be prepared to defend her own shores, but her assistance overseas should be limited to economic aid and must not include conscription of man power or the sending of any expeditionary force.

In further detail the Cooperative Commonwealth Federation places the following constructive proposals before the house, as the Prime Minister (Mr. Mackenzie King) asked hon. members to do when he spoke yesterday. These are:

1. Economic assistance: Canada is well fitted to make an important contribution through economic assistance. However, in the interests of Canada's economic future and for the protection of her people, the expansion of war industries must be strictly controlled. Moreover, such economic assistance should be conditional upon immediate steps being taken to place the burden upon the shoulders of those best able to bear it. The tax on higher incomes should be immediately increased, and an excess profits and capital gains tax should be instituted, so as to avoid an immense addition to our national debt. The production and prices of essential commodities should be placed under strict supervision in order to eliminate war profits, and the manufacture of arms, munitions and war materials should be nationalized.

2. Defence of Canada: Reasonable provision should be made for the defence of Canadian shores. Volunteers for home defence should not be required to sign also for overseas service. This practice, now being followed, is unwarranted and should be abandoned.

3. No military participation overseas: Any attempt to send a force abroad would rob us of the man power necessary for the defence of our shores and for home production, would gravely endanger national unity, would threaten our civil liberties and democratic institutions, and would ultimately lead to conscription.

4. Preservation of democracy at home: The Cooperative Commonwealth Federation protests against the encroachments on our civil liberties which the government has already introduced, and insists that democracy at home must be preserved unimpaired during the war.

\* \* \* \*

RIGHT HON. ERNEST LAPOINTE<sup>1</sup> (Minister of Justice): . . . I will go further; neutrality on the part of Canada at this time could not be other than a move favourable to the enemies of England and France. With the possible exception of the Soviet union we have perhaps the greatest store and widest range of raw materials necessary for the carrying on of a war. This war, more particularly in its initial stages, will be largely

<sup>1</sup> *Commons Debates*, Sept. 9, 1939, Second Session, pp. 67-8.

in the air. Planes will do their utmost to destroy the industries and aviation centres of the enemy. Industry may become so crippled in the countries at war that replacements will become slow and difficult; and do not forget that Russia seems disposed to place her resources at the disposal of Germany. Britain and France will need our resources as a matter of life or death; and, sir, any such so-called favourable neutrality would be directly to the disadvantage of Britain and France. I say to every member of this house and to every citizen of Canada that by doing nothing, by being neutral, we actually would be taking the side of Adolf Hitler.

Some say we are not interested. People were saying that last Sunday, at the very moment an enemy submarine was torpedoing the liner *Athenia*, which was carrying over five hundred Canadian passengers who might have lost their lives. We are not interested! We are interested in the outcome of this war in every way, not only because of the possibility mentioned by my hon. friend yesterday. Canada is the finest land that could become the prey of any enemy at the end of a war. But what about the West Indies, Newfoundland and all the other British possessions which, in the event of the defeat of Britain would come under German Nazi rule? Would it be in the interests of Canada to have such neighbours in such close proximity?

Much has been said about an expeditionary force. Let me say first that I agree with what the Prime Minister said yesterday. Applications are pouring in—and they are coming from Quebec also—from people who want to enlist. Far from urging people to do so, we have so far taken the position that it is better to act in an orderly way, to avoid confusion and consult with those whom we want to help. But if the need comes, does any member of the house think any Canadian government, whether this or any other, could stop the thousands of volunteers who would like to fight for Britain and France? Does my hon. friend from Beauharnois-Laprairie [M. Maxime Raymond] believe that a government, even if he were a member of it, could resist the pressure from all parts of Canada for an expeditionary force? Unfortunately, or according to my own view fortunately, this country has to be ruled by one government, and no government could stay in office if it refused to do what the large majority of Canadians wanted it to do.

But another proposal has been made in some newspapers and at meetings which have been held during the last few days, and I am almost ashamed to refer to it. Some say, "Let volunteers go if they wish but let England pay for them, or let those who take the initiative in organizing regiments pay the cost." They say, "Go, but let England bear the cost, or pay it yourselves." Well, Mr. Speaker, this is a shameless, dishonourable proposal. They say, "You may give your life; you may shed your blood, but your country refuses to pay the expense incidental to your sacrifice." I am too proud, too conscious of Canadian dignity, to discuss such a proposal. I am surprised that any man of whom it may be said, in the words of our national song, "*Il est né d'une race fière*," could entertain this disgraceful suggestion. In the middle ages European countries were hiring mercenaries throughout the world to fight their battles. Canadians will never be mercenaries paid by any country—not even by Britain. If Canadians go to the front line of the battle they will go voluntarily as Canadians, under the control of Canada, commanded by Canadians and maintained by the Dominion of Canada. . . .



## XXIV. LAWS AND REGULATIONS

### A. MEASURES OF A PERMANENT CHARACTER

(i) *An Act Respecting Foreign Enlistment, April 10, 1937*

Text from *Statutes of Canada, 1937*, I Geo. VI, c. 32, p. 163

His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:

1. This Act may be cited as *The Foreign Enlistment Act, 1937*.

2. In this Act, and in any regulation or order made hereunder unless the context otherwise requires:

(a) "Within Canada" includes Canadian waters as defined for the purposes of the *Customs Act*;

(b) "Armed forces" includes military, naval and air forces or services, combatant or non-combatant, but shall not include surgical, medical, nursing and other services engaged solely in humanitarian work and which are under the control or supervision of the Canadian Red Cross or other recognized Canadian humanitarian society;

(c) "Conveyance" includes ships, vessels, aircraft, trains, and motor and other vehicles;

(d) "Illegally enlisted person" means a person who has accepted or agreed to accept any commission or engagement, or who is about to quit Canada with intent to accept any commission or engagement, or who has been induced to go on board a conveyance under a misapprehension or false representation of the service in which such person is to be engaged with the intention or in order that such person may accept or agree to accept any commission or engagement contrary to the provisions of this Act;

(e) "Equips" in relation to a ship, includes the furnishing of anything which is used for the purpose of fitting or adapting the ship for the sea, or for naval service, and all words relating to equipment shall be construed accordingly;

(f) "Foreign State" includes any foreign prince, colony, province or part of any province or people, or any person or

persons exercising or assuming to exercise the powers of government in or over any foreign country, colony, province, or part of any province or people.

3. If any person, being a Canadian National, within or without Canada, voluntarily accepts or agrees to accept any commission or engagement in the armed forces of any foreign state at war with any friendly foreign state, or, whether a Canadian National or not, within Canada, induces any other person to accept or agree to accept any commission or engagement in any such armed forces, such persons shall be guilty of an offence under this Act.

4. If any person, being a Canadian National, quits or goes on board any conveyance with a view of quitting Canada with intent to accept any commission or engagement in the armed forces of any foreign state at war with any friendly foreign state, or, whether a Canadian National or not, within Canada, induces any other person to quit or go on board any conveyance with a view of quitting Canada, with a like intent, such person shall be guilty of an offence under this Act.

5. If any person induces any other person to quit Canada, or to go on board any conveyance within Canada under a misrepresentation or false representation of the service in which such person is to be engaged, with the intent or in order that such person may accept or agree to accept any commission or engagement in the armed forces of any foreign state at war with a friendly state, such person shall be guilty of an offence under this Act.

6. (1) If the person having the control or direction of, or being the owner of any conveyance, knowingly either takes on board or engages to take on board or has on board such conveyance, within Canada, any illegally enlisted person, the person having such control or direction of, or being the owner of any such conveyance, shall be guilty of an offence under this Act.

(2) Such conveyance shall be detained until the trial or conviction of such person or owner and until all fines or penalties imposed on such person or owner have been paid or security approved by the Court having jurisdiction in the matter has been given for the payment thereof.

7. If any person, within Canada, does any of the following acts, that is to say,

(a) builds or agrees to build or causes to be built, any ship with intent or knowledge, or having reasonable cause to believe that the same shall or will be employed in or by the armed forces of any foreign state at war with any friendly state; or

(b) issues or delivers any commission for any ship with intent or knowledge or having reasonable cause to believe that the same shall or will be employed in or by the armed forces of any foreign state at war with any friendly state; or

(c) equips any ship with intent or knowledge or having reasonable cause to believe that the same shall or will be employed in or by the armed forces of any foreign state at war with any friendly state; or

(d) despatches or causes or allows to be despatched, any ship, with intent or knowledge or having reasonable cause to believe that the same shall or will be employed in or by the armed forces of any foreign state at war with any friendly state;

such person shall be guilty of an offence under this Act.

Provided that a person building, causing to be built, or equipping a ship in any of the cases aforesaid, in pursuance of a contract made before the commencement of such war as aforesaid, shall not be deemed to have committed an offence under this Act, if, forthwith, upon a proclamation of neutrality or any other proclamation notifying or bringing into operation the provisions of this Act, he gives notice to the Secretary of State for External Affairs that he is so building, causing to be built, or equipping, such ship, and furnishes such particulars of the contract and of any matters relating to or done, or to be done under the contract, as may be required by the Secretary of State for External Affairs, and, if he give such security and takes and permits to be taken such other measures, if any, as the Secretary of State for External Affairs may prescribe for insuring that such ship shall not be despatched, delivered or removed, or otherwise dealt with, without the permission in writing of the Secretary of State for External Affairs, until the termination of such war as aforesaid.

8. When any ship is built by order of or on behalf of any foreign state, when at war with a friendly state, or is delivered to or to the order of such foreign state, or to any person who to the knowledge of the person building is an agent of such foreign state, or is paid for by such foreign state or such agent, and is employed in or by the armed forces of such foreign state, such ship shall, until the contrary is proved, be deemed to have been built with a view to being so employed, and the burden shall lie on the builder of such ship of proving that he did not know that the ship was intended to be so employed in or by the armed forces of such foreign state.

9. If any person within Canada, by any addition to or substitution in the armament or equipment, increases or augments, or procures to be increased or augmented, or is knowingly concerned in increasing or augmenting the warlike force of any ship, which at the time of its being within Canada was a ship in or of the armed forces of any foreign state at war with any friendly state, such person shall be guilty of an offence under this Act.

10. If any person, within Canada, prepares or fits out any military, naval or air expedition, to proceed against the dominions of any friendly state, such person shall be guilty of an offence against this Act.

11. If any person, within Canada, recruits or otherwise induces any person or body of persons to enlist or to accept any commission or engagement in the armed forces of any foreign state or other armed forces operating in such state, such person shall be guilty of an offence under this Act: Provided, however, that the provisions of this section shall not apply to the action of foreign consular or diplomatic officers or agents in enlisting persons who are nationals of the countries which they represent, and who are not Canadian Nationals, in conformity with the regulations of the Governor in Council.

12. If any ship, goods, or merchandise, captured as prize of war within Canada in violation of Canadian neutrality, or captured by any ship which may have been built, equipped, commissioned or despatched, or the force of which may have

been augmented, contrary to the provisions of this Act, are brought within Canada by the captor, or by any agent of the captor, or by any person having come into possession thereof with a knowledge that the same was prize of war so captured as aforesaid, it shall be lawful for the original owner of such prize or his agent, or for any person authorized in that behalf by the government of the Foreign State to which such owner belongs, or in which the ship captured as aforesaid may have been duly registered, to make application to the Exchequer Court of Canada for seizure and detention of such prize, and the Court shall, on due proof of the facts, order such prize to be restored.

13. Every order referred to in the preceding section shall be executed and carried into effect in the same manner, and subject to the same right of appeal, as in case of any order made in the exercise of the ordinary jurisdiction of such court; and in the meantime, and until a final order has been made, on such application the court shall have power to make all such provisional and other orders as to the care or custody of such captured ship, goods, or merchandise, and (if the same be of perishable nature, or incurring risk of deterioration) for the sale thereof, and with respect to the deposit or investment of the proceeds of any such sale, as may be made by such court in the exercise of its ordinary jurisdiction.

14. Any person, who is guilty of an offence against this Act shall be deemed to be guilty of an indictable offence, and shall be punishable by fine not exceeding two thousand dollars, or by imprisonment for a term not exceeding two years, with or without hard labour, or by both fine and imprisonment; but such offence may, instead of being prosecuted as an indictable offence, be prosecuted summarily in manner provided by Part XV of the *Criminal Code*, and if so prosecuted, such offence shall be punishable by fine not exceeding five hundred dollars, or by imprisonment not exceeding twelve months, with or without hard labour, or by both fine and imprisonment.

15. (1) Any ship in respect of which an offence under section seven of this Act has been committed and the equipment thereof, shall be forfeited to His Majesty.

(2) Any conveyance and the equipment thereof and all arms, ammunition and implements of war used in or forming part of an expedition in respect of which an offence has been committed under the provisions of section ten of this Act, shall be forfeited to His Majesty.

16. For the purpose of giving jurisdiction in criminal proceedings under this Act, every offence shall be deemed to have been committed, every cause or complaint to have arisen either in the place in which the same was committed or arose, or in any place in which the offender or person complained against may be.

17. Subject to the provisions of this Act, criminal proceedings arising hereunder shall be subject to and governed by the *Criminal Code*.

18. All proceedings for forfeiture of conveyances, goods or merchandise, under the provisions of this Act, may be taken in the Exchequer Court of Canada, or in any court of competent jurisdiction.

19. (1) The Governor in Council may, from time to time, by order or regulation, provide for any or all of the following matters:

(a) the application of the provisions of this Act, with necessary modifications, to any case in which there is a state of armed conflict, civil or otherwise, either within a foreign country or between foreign countries;

(b) the seizure, detention and disposition of conveyances, goods and merchandise;

(c) the requirement of the consent of an authority or authorities to prosecutions, seizures, detentions and forfeiture proceedings;

(d) the designation of officers or authorities who may execute any of the provisions of this Act;

(e) the issue, restriction, cancellation and impounding of passports, whether within Canada or elsewhere, to the extent to which such action is deemed by him to be necessary or expedient for carrying out the general purposes of this Act.

(2) Such orders and regulations shall be published in the *Canada Gazette*, and shall take effect from the date of such

publication or from the date specified for such purpose in such order or regulation, and shall have the same force and effect as if enacted herein.

20. The Act of the Parliament of the United Kingdom, chapter ninety, of the Statutes of 1870 (33 & 34 Victoria) the short title of which is The Foreign Enlistment Act of 1870, is hereby repealed in so far as it is part of the law of Canada.<sup>1</sup>

(ii) *An Act to amend the Customs Act, April 10, 1937*

Text from *Statutes of Canada, 1937*, I Geo. VI, c. 24, p. 113

10. Section two hundred and ninety of the said Act<sup>2</sup> is repealed, and the following substituted therefor:

290. (1) The Governor in Council may, from time to time,—

(a) for the purpose of acquiring information, or for the purposes of paragraphs (b) and (c) of this sub-section, require that no person shall export or carry coastwise or by inland navigation any of the articles designated in the said paragraph (b), or import any of the articles designated in the said paragraph (c), without first having obtained a permit, and prescribe such fees, regulations and conditions as may be deemed proper respecting the granting of such permits;

(b) prohibit, restrict or control the exportation, generally or to any destination, directly or indirectly, or the carrying coastwise or by inland navigation, of arms, ammunition, implements or munitions of war, military, naval or air stores, or any articles deemed capable of being converted thereinto or made useful in the production thereof, or provisions of any sort of victual which may be used as food by man or beast;

(c) prohibit, restrict or control the importation of arms, ammunition, implements or munitions of war, military, naval or air stores, or any articles deemed capable of being converted thereinto or made useful in the production thereof;

<sup>1</sup> For the application of the Foreign Enlistment Act, 1937, to the Spanish Civil War, see order in council of July 30, 1937 (P.C. 1837), below, B (1).

<sup>2</sup> The Customs Act, *Revised Statutes of Canada*, c. 42, 1927.

(d) provide for the registration or licensing of persons engaged in the business of manufacturing, exporting or importing arms, ammunition or implements of war and prescribe fees, regulations, conditions and exceptions in respect thereof;

(e) provide for the compilation and publication of information and statistics respecting the exportation, importation or manufacture of arms, ammunition or implements of war;

(f) make regulations or prescribe conditions or exceptions deemed necessary for the effective carrying out of the object and intention of this section of any prohibition, restriction or control of exportations or importations which may be imposed under this section, including regulations, conditions or exceptions respecting re-exportation, transshipments or shipments in transit, whether within Canada or elsewhere. Such regulations shall, when made, have the force and effect of law as though enacted as a part of this statute, and shall be published in the *Canada Gazette*.

(2) Any goods imported or exported contrary to the provisions of this section or of any Order of the Governor in Council thereunder or regulations established thereunder shall be seized and forfeited; and any person importing or exporting the same or causing or permitting them to be imported or exported shall be guilty of an offence and for each such offence be liable on summary conviction before two justices of the peace to a penalty not exceeding two hundred dollars and not less than fifty dollars, or to imprisonment for a term not exceeding one year and not less than one month or to both fine and imprisonment. If the value of such goods is two hundred dollars or over, the person so offending shall be guilty of an indictable offence and be liable on conviction, in addition to any other penalty to which he is subject for such offence, to a penalty not exceeding ten thousand dollars and not less than two hundred dollars, or to imprisonment for a term not exceeding four years and not less than one year or to both fine and imprisonment.<sup>1</sup>

<sup>1</sup> For the regulations issued under the above Act on July 30 and August 6, 1937, respectively, see below, A(iii), (iv). For the application of the above Act in the Spanish Civil War, see order in council of July 30, 1937 (P.C. 1839), below, B (ii).



- (iii) *Order in Council (P.C. 1838) regulating the Issuance of Permits for the Exportation of Arms, Ammunition and Implements of War, July 30, 1937*

Text from *The Canada Gazette*, 1937, no. 6, p. 306

Whereas it is considered desirable that steps should be taken to provide for control of the exportation from Canada to any destination of arms, ammunition, implements or munitions of war, military, naval or air stores or any articles deemed capable of being converted thereinto or made useful in the production thereof;

And Whereas section 290 of the Customs Act, as enacted by Section 10 of Chapter 24 of the Statutes of 1937, provides that the Governor in Council may from time to time,—

[Here follow paragraphs (a) to (f) of the amended Section 290 (1) of the Customs Act, printed above No. 2.]

Now, Therefore, the Deputy of His Excellency the Governor General in Council, on the recommendation of the Secretary of State for External Affairs, with the concurrence of the Minister of Justice and the Minister of National Revenue, is pleased to order and it is hereby ordered as follows:

1. No person shall export any of the articles enumerated and described in the Annex hereto without first having obtained a permit issued by, or on behalf of, the Minister of National Revenue.

2. Applicants for permits shall furnish in respect of each proposed shipment for export information in writing in the manner and form approved by the Minister of National Revenue, setting forth details as to the seller, purchaser, consignor, consignee, description, quantity, value and specific purpose of the proposed shipment or of the articles proposed to be exported.

3. Export permits shall be issued to applicants furnishing the required information in all cases except those in which the issue of such permits or the exportation of the article or articles proposed to be exported would contravene a prohibition, restriction, regulation, condition or exception prescribed by law or by order of the Governor in Council.

4. Export permits issued hereunder shall not be transferable and shall be subject to revocation at any time without notice.

5. This Order shall come into force on the 31st day of July, 1937.

### ANNEX

#### *Category I*

(1) Rifles and carbines using ammunition in excess of calibre .22 and barrels for those weapons;

(2) Machine guns, automatic or autoloading rifles, and machine pistols using ammunition in excess of calibre .22, and barrels for those weapons;

(3) Guns, howitzers, and mortars of all calibres, their mountings and barrels;

(4) Ammunition in excess of calibre .22 for the arms enumerated under (1) and (2) above, and cartridge cases or bullets for such ammunition; filled and unfilled projectiles for the arms enumerated under (3) above;

(5) Grenades, bombs, torpedoes, mines and depth charges, filled or unfilled, and apparatus for their use or discharge;

(6) Tanks, military armoured vehicles, and armoured trains.

#### *Category II*

(1) Vessels of war of all kinds, including aircraft carriers and submarines, and periscopes for submarines.

#### *Category III*

(1) Aircraft, unassembled, assembled, or dismantled, both heavier and lighter than air, which by reason of their design or construction are adapted or intended either for military or naval reconnaissance, or for aerial combat by the use of machine guns or artillery, or for the carrying and dropping of bombs, or which are equipped with or prepared for any of the arms or appliances referred to in paragraph (2) below;

(2) Aerial gun mounts and frames, bomb racks, torpedo carriers, and bomb or torpedo release mechanisms.

#### *Category IV*

(1) Revolvers and automatic pistols using ammunition in excess of calibre .22;

(2) Ammunition in excess of calibre .22 for the arms enumerated under (1) above, and cartridge cases or bullets for such ammunition.

*Category V*

(1) Aircraft, unassembled, assembled, or dismantled, both heavier and lighter than air, other than those included in Category III;

(2) Propellers or air screws and blades therefor, fuselages, hulls, wings, tail units, under-carriage units, and wheels for aircraft;

(3) Aircraft engines, unassembled, assembled or dismantled.

*Category VI*

(1) Livens projectors and flame throwers;

(2) *a.* Mustard gas (dichlorethyl sulphide);

*b.* Lewisite (chlorvinylchlorarsine and dichlorovinylchlorarsine);

*c.* Methylchlorarsine;

*d.* Diphenylchlorarsine;

*e.* Diphenylcyanarsine;

*f.* Diphenylaminechlorarsine;

*g.* Phenylchlorarsine;

*h.* Ethylchlorarsine;

*i.* Phenylbromarsine;

*j.* Ethyldibromarsine;

*k.* Phosgene;

*l.* Monochloromethylchlorformate;

*m.* Trichloromethylchlorformate (diphosgene);

*n.* Dichlorodimethyl Ether;

*o.* Dibromodimethyl Ether;

*p.* Cyanogen Chloride;

*q.* Ethylbromacetate;

*r.* Ethyliodoacetate;

*s.* Brombenzylcyanide;

*t.* Bromacetone;

*u.* Brommethylethyl Ketone;

*v.* Chlorpicrin (nitrotrichloromethane).

*Category VII*

(1) Propellant powders;

(2) High explosives as follows:

*a.* Nitrocellulose having a nitrogen content of more than 12 per cent.;

*b.* Trinitrotoluene;

- c. Trinitroxylene;
- d. Tetryl (trinitrophenol methyl nitramine or tetra-nitro methylaniline);
- e. Picric acid;
- f. Ammonium picrate;
- g. Trinitroanisol;
- h. Trinitronaphthalene;
- i. Tetranitronaphthalene;
- j. Hexanitrodiphenylamine;
- k. Pentaerythritetetranitrate (penthrite or pentrite);
- l. Trimethylenetrinitramine (hexogen or T<sub>4</sub>);
- m. Potassium nitrate powders (black saltpeter powder);
- n. Sodium nitrate powders (black soda powder);
- o. Amatol (mixture of ammonium nitrate and trinitrotoluene);
- p. Ammonal (mixture of ammonium nitrate, trinitrotoluene, and powdered aluminum, with or without other ingredients).

(iv) *Order in Council (P.C. 1889) regulating the Issuance of Permits for the Exportation of Arms, Ammunition and Implements of War, August 6, 1937*

Text from *The Canada Gazette*, 1937, no. 9, p. 568

The Deputy of His Excellency the Governor General in Council, on the recommendation of the Minister of National Revenue and under the authority of section 290 of the Customs Act, as enacted by Chapter 24 of the Statutes of 1937,<sup>1</sup> and of Order in Council (P.C. 1838) of 30th July 1937,<sup>2</sup> is pleased to make the following regulations concerning the prohibition of exportation, except under permit, of arms, ammunition, and implements or munitions of war, and they are hereby made and established accordingly:

1. Applications for permits for the exportation of arms, ammunition, or implements or munitions of war referred to in the Annex to Order in Council (P.C. 1838) of 30th July, 1937, shall be in the form approved by the Minister of National

<sup>1</sup> Above, A(ii).

<sup>2</sup> Above, A(iii).

Revenue. Copies of the application form may be obtained from the Department of National Revenue, Ottawa.

2. Each application for an export permit shall be accompanied by a fee of \$2, this amount to be remitted by Bank, Express or Postal Money Order made payable to The Receiver General of Canada.

3. Applications for export permits shall be completed in quadruplicate for each separate shipment. Each permit shall be issued in quadruplicate, the original to be forwarded to the applicant to accompany the shipment to the frontier or seaport of exit for delivery to the Collector of Customs and Excise, and to be attached by him to the departmental copy of the relative export entry; the duplicate to be forwarded to the applicant for his office records; the triplicate to be forwarded to the Collector of Customs and Excise at the frontier or seaport of exit to be checked with the original copy accompanying the shipment, and to be attached to the port copy of the relative export entry, and the quadruplicate to be retained as a departmental record.

4. The original copy of each export permit must be presented to the Collector of Customs and Excise at the frontier or seaport of exit named thereon. Export permits and export entries covering arms, ammunition, and implements or munitions of war must be filed with the appropriate Collector of Customs and Excise at least twenty-four hours before the proposed departure of the shipment, and, in the case of a shipment by a sea-going vessel, twenty-four hours before the loading of the vessel. Export permits will expire when one year has elapsed from the date of issuance without the due exportation within that period of the goods covered thereby. Export permits shall be subject to revocation without notice if the exportation authorized thereby becomes illegal before shipment is made. Export permits which have expired, or which have been revoked, shall be returned to the Department of National Revenue for cancellation.

5. The country designated on the application for export permit as the country of destination should, in each case, be the country of ultimate destination. If the goods to be exported are consigned to one country, with the intention that they be transhipped thence to another country, the latter country should be named as the country of destination. If the

country of ultimate destination cannot be ascertained at the time the application for export permit is made, the country of initial destination may be named on the application as the country of destination, provided, however, that the facts must be clearly explained to the Minister of National Revenue, by the applicants, who must undertake to inform the Minister of the country of ultimate destination of the shipment as soon as it can be ascertained. The Minister of National Revenue may refuse to grant an export permit until he is informed of the country of ultimate destination, in order that he may assure himself that the permit may be legally issued.

6. The exporter of any goods which at the time of exportation thereof were prohibited by Order in Council under the authority of section 290 of the Customs Act to be exported to a specified territory, shall, if required by the Minister of National Revenue, produce evidence to his satisfaction that the goods have not reached any such specified territory, and, if the exporter fails to do so, he shall be liable to the penalties prescribed in section 290 of the Customs Act, unless he proves that he did not consent to or connive at the goods reaching such a territory, and took all reasonable steps to secure that the final destination of the goods was that specified in the Customs and other documents relating to the shipment thereof.

7. If the Minister of National Revenue has reason to suspect that any declaration made in the course of making entry before shipment by a person about to export goods of any description included in the Annex to Order in Council (P. C. 1838) of 30th July, 1937, is untrue in any material particular, the goods may be detained until the Minister is satisfied as to the truth of the declaration, and, failing such satisfaction, the goods shall be forfeited.

8. Any alteration, correction, addition, erasure, or deletion in an export permit will render the permit invalid and subject to revocation, except when made by or on behalf of the Minister of National Revenue.

9. Export permits shall not be transferable and shall be subject to revocation without notice if found to have been issued on incorrect or unreliable information, or for failure to comply with or upon violation of any provision of the Customs Act or any law or regulation established thereunder.

10. Arms, ammunition and implements or munitions of war to be exported under an export permit must, when exported, be packed separately from all other goods.

11. Export permits for arms and implements or munitions of war which are shipped by parcel post must be presented with the parcel under Customs supervision to the postmaster at the post office at which the parcel is mailed.

12. Export Entry Form B. 13 covering arms, ammunition, and implements or munitions of war for which an export permit is required must contain the same information in regard to the nature and value of the articles to be exported as that which appears on the application for a permit. If the person designated on the export entry as the actual shipper of the goods is not the person to whom the export permit has been issued, the name of this shipper should appear on the export permit as that of the consignor in Canada.

13. Articles entering or leaving a port in Canada in transit through Canada to a foreign country, will not be considered as exported within the meaning of Order in Council (P. C. 1838) of 30th July, 1937, unless they are destined to a country to which the exportation of arms, ammunition, and implements of war is subjected to special restrictions other than the requirement that an export permit be obtained.

14. The fact that arms, ammunition, and implements or munitions of war are laden for export on board vessels or aircraft as ship's stores or ship's equipment will not relieve the parties concerned from the necessity of obtaining an export permit in each case.

15. Arms and implements of war which have been legally exported from Canada and which are returned to Canada for repair of wear or damage and re-export may not be again exported except under permit. Similarly arms and implements of war imported into Canada for further manufacture, repairs, test or adjustment, or for any other purpose with the intention of subsequent exportation, shall also require an export permit.

16. Arms, ammunition, or implements or munitions of war which are shipped or transported from a port of exit in Canada for the exclusive use of Canadian armed forces will not be considered as exported within the meaning of Order in Council (P. C. 1838) of 30th July, 1937.

17. Export permits will not be required in respect of shipments of arms, ammunition, and implements or munitions of war of less than \$5 in value.

18. Arms and ammunition intended exclusively for sporting or scientific purposes, or for personal protection or use, when taken out of Canada by the owner thereof as hand or checked baggage, will not require an export permit.

19. Arms, ammunition, and implements or munitions of war which are more than one hundred years old will not be considered as arms, ammunition, or implements or munitions of war within the meaning of Order in Council (P. C. 1838) of 30th July, 1937.

20. Export permits are required for the export of those articles only which are specifically mentioned in the Annex to Order in Council (P. C. 1838) of 30th July, 1937. No permit is required for the export of the component parts of the articles or units enumerated in the Annex, unless those parts are listed in the Annex or are shipped in such a manner as to constitute, in fact, a complete unit or article in unassembled form. The only exceptions to this ruling are in the case of aircraft wheels and aircraft propeller blades (which will be found specifically listed in Category V), which are considered as constituting to such an unusual degree the main body of aircraft undercarriage units and aircraft propellers that a permit is required for the export of wheels and propeller blades, even when they are shipped alone.

21. Forgings or castings for any of the arms, ammunition, or implements or munitions of war referred to in the Annex to Order in Council (P. C. 1838) of 30th July, 1937, which have reached such a stage in manufacture that they are clearly identifiable as forgings or castings for arms, ammunition, or implements or munitions of war, are subject to export permit as arms, ammunition, or implements or munitions of war.

22. An export permit is required for all articles listed in subsection (5) of Category I of the Annex to Order in Council (P. C. 1838), dated 30th July, 1937, *which are intended or adapted for war purposes*. No permit is required for these articles as "not intended or adapted for war purposes," in the following circumstances:

(a) When filled,—if they contain only a non-lethal gas or fluid having a common non-military use, the nature of the



contents being accepted as prima facie evidence that the article exported is not intended for war purposes;

(b) When empty,—on satisfactory proof being submitted that they are adapted or intended solely for a specified non-military use.

23. The term “propellant powders,” as used in paragraph (1) of Category VII of the Annex to Order in Council (P.C. 1838) of 30th July, 1937, applies to propellant powders in bulk form. It does not apply to such powders when enclosed in cartridges of types not enumerated in the Annex, in pyrotechnics, in safety fuse, or in other similar devices, and permits will not, therefore, be required for the export of such cartridges or devices, even though they may contain propellant powder.

24. Airplanes flown or shipped from Canada will not be considered as exported within the meaning of Order in Council (P.C. 1838) of 30th July, 1937, when it is the intention of their owners that they shall remain under Canadian registry and shall be operated by a Canadian licensed pilot during the entire period of their sojourn abroad, and, further, when there is no intention on the part of their owners to dispose of them or of any of their essential parts listed in the Annex to the said Order in Council in any foreign country. Should the owners, after the departure of a plane flown or shipped from Canada without an export permit, propose to place the plane under foreign registry or to have it operated by a pilot not holding a Canadian licence, or to dispose of the plane or any of the essential parts referred to in any foreign country, the plane, or the part in question, must be returned to Canada and a permit obtained for its export to the country concerned. Airplanes of foreign registry which have entered Canada for a temporary sojourn will not on leaving Canada after such a sojourn be considered as exported within the meaning of the Order in Council referred to herein.

(v) *An Act to Make Provision for the Sealing of Royal Instruments, May 2, 1939*

Text from *Statutes of Canada*, 1939, 3 Geo. VI, c. 22, p. 111

His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

1. This Act may be cited as *The Seals Act*, 1939.

2. In this Act, and in any regulation or order made hereunder, unless the context otherwise requires:—

(a) "Great Seal of the Realm" means the Great Seal of the United Kingdom of Great Britain and Northern Ireland for which provision was made in Article XXIV of The Union with Scotland Act, 1706 (6 Anne, A.D. 1706, chapter XI, An Act for an Union of the Two Kingdoms of England and Scotland) and includes the wafer seal;

(b) "Signet" means the seal which, under the existing practice in the United Kingdom of Great Britain and Northern Ireland, is delivered by His Majesty the King to each of his Principal Secretaries of State in the United Kingdom, and includes the lesser signet, or second secretarial seal and the cachet;

(c) "Royal Instrument" means an instrument, in respect of Canada, that, under the present practice, is issued by and in the name of the King and passed under the Great Seal of the Realm or under one of the Signets;

(d) "Document under the Sign Manual" means an instrument, in respect of Canada, that, under the present practice, is issued in the name and under the signature of His Majesty the King without any seal;

(e) "Countersignature" refers to the endorsement upon a royal instrument or upon a document under the Sign Manual of the signature of His Majesty's responsible Canadian Minister;

(f) "Royal Seals" include the Great Seal of Canada and any other seals or signets that may, with the approval of His Majesty the King, be authorized under the provisions of this Act.

3. Notwithstanding the provisions of any law in force in Canada, any royal instrument may be issued by and with the authority of His Majesty the King and passed under the Great Seal of Canada, or under any other Royal Seal approved by His Majesty the King for the purpose.

4. (1) Notwithstanding the provisions of any law in force in Canada, the Governor in Council may, subject to the approval of His Majesty the King, make orders and regulations relating to royal seals, the use thereof, royal instruments, and documents under the Sign Manual, and without restricting

the generality of the foregoing, in relation to the following matters:—

(a) The specification of the instruments or classes of instruments which are to be passed under the royal seals;

(b) The authorisation of royal seals and the naming of such seals, and the specification of the purposes for which they are to be used;

(c) The custody of the royal seals;

(d) The procedure governing the use of the royal seals;

(e) Countersignature of royal instruments;

(f) The issuing and countersignature of documents under the Sign Manual;

(g) The procedure whereby the approval of His Majesty the King and his authority for the issuing of royal instruments and documents under the Sign Manual is to be given;

(h) The authentication and proof of royal instruments and documents under the Sign Manual, including the conditions under which certification by an official, or publication by the King's Printer, shall constitute authentication and proof.

(2) All orders and regulations made under the authority of this section shall be published in the *Canada Gazette*.

## B. MEASURES OF A TEMPORARY CHARACTER

### (a) ORDERS IN COUNCIL

- (i) *Order in Council (P.C. 1837) applying the Foreign Enlistment Act, 1937, in the Spanish Civil War, July 30, 1937*

Text from *The Canada Gazette*, 1937, no. 6, p. 306

Whereas under Section 19 of the Foreign Enlistment Act, 1937, as enacted by Chapter 32 of the Statutes of 1937,<sup>1</sup> it is provided that the Governor in Council may from time to time by order or regulation provide for the application of the provisions of the Act with necessary modifications to any case in which there is a state of armed conflict, civil or otherwise, either within a foreign country or between foreign countries;

<sup>1</sup> Above, A(i).

And Whereas the Secretary of State for External Affairs reports that it is considered desirable to apply the provisions of the said Act with necessary modifications to Spain, that is to say, the territories of the Peninsula, the Balearic Islands, the Canary Islands, and towns and territories under Spanish sovereignty in Africa, in which foreign country there now exists a state of armed conflict;

Now, Therefore, the Deputy of His Excellency the Governor General in Council, on the recommendation of the Secretary of State for External Affairs, with the concurrence of the Minister of Justice, is pleased to order and it is hereby ordered as follows:

1. On and after the 31st day of July, 1937, the provisions of the Foreign Enlistment Act 1937, shall apply to the case of the armed conflict in Spain, that is to say, the territories of the Peninsula, the Balearic Islands, the Canary Islands, and towns and territories under Spanish sovereignty in Africa.

2. In the application of the provisions of sections 3, 4, 5, 7, 8 and 9 of the said Act the words 'engaged in the civil conflict in Spain' are hereby substituted, as on and from the above date, for the words 'of any foreign state at war with any friendly foreign state' or 'of any foreign state at war with a friendly state' or 'of any foreign state at war with any friendly state' wherever they appear in the said sections.

3. In the application of the provisions of section 10 of the said Act the words 'for the purpose of taking part in the civil conflict in Spain' are hereby substituted, as on and from the above date, for the words 'to proceed against the dominions of any friendly state.'

- (ii) *Order in Council (P.C. 1839), applying Section 290 of the Customs Act in the Spanish Civil War, July 30, 1937*

Text from *The Canada Gazette*, 1935, no. 6, p. 308

Whereas under Section 290 of the Customs Act, as enacted by Section 10 of Chapter 24 of the Statutes of 1937,<sup>1</sup> it is provided that the Governor in Council may from time to time,—

<sup>1</sup> Above, A(ii).

prohibit, restrict or control the exportation, generally, or to any destination, directly or indirectly, or the carrying coastwise or by inland navigation, of arms, ammunition, implements or munitions of war, military, naval or air stores, or any articles deemed capable of being converted thereinto or made useful in the production thereof.

And Whereas the Secretary of State for External Affairs reports that it is considered desirable, pending the settlement of the armed conflict in Spain, that steps be taken to prohibit the export from Canada, directly or indirectly, to any party in that conflict, of arms, war materials, aircraft, aircraft engines, separate parts thereof and munitions;

Now, Therefore, the Deputy of His Excellency the Governor General in Council, on the recommendation of the Secretary of State for External Affairs, with the concurrence of the Minister of Justice and the Minister of National Revenue is pleased to order that the exportation, directly or indirectly, of any of the articles enumerated and described in the Annex hereto from Canada to Spain, that is to say, the territories of the Peninsula, the Balearic Islands, the Canary Islands, and towns and territories under Spanish sovereignty in Africa, be and it is hereby prohibited.

This prohibition shall come into force on the 31st day of July, 1937.<sup>1</sup>

- (iii) *Order in Council (P.C. 2626) authorizing Proclamation that a State of War exists between Canada and the German Reich, September 10, 1939*

*Text from Proclamations and Orders in Council Passed under the Authority of The War Measures Act, 1940, vol. I, p. 52*

The Committee of the Privy Council have had under consideration a report, dated 9th September, 1939, from the Right Honourable W. L. Mackenzie King, the Prime Minister of Canada, representing,—

- (1) that a state of war exists between the United Kingdom,

<sup>1</sup> The Annex to the above order in council is identical with the Annex to the Regulations issued in pursuance of the Customs Act on July 30, 1937 (P.C. 1838) and given above, A(iii).

France and Poland, on the one hand, and the German Reich, caused by unwarranted German aggression; and

(2) that the Militia, the Naval Service and the Air Force have been placed on active service, and certain other provisions have been made for the defence of our coasts and our internal security under The War Measures Act and other existing authorities, pending the decision by the Parliament of Canada upon the policy to be adopted in the circumstances; and

(3) that, in view of the approval by the Parliament of Canada of the Speech from the Throne and of the policy of immediate participation in the war, it is expedient that a Proclamation should be issued declaring the existence of a state of war between Canada and the German Reich.

The Prime Minister, therefore, recommends that the advice of the King's Privy Council for Canada should be submitted to His Majesty the King, with a view to the authorization by him of the issuing of a Proclamation forthwith to be published in the *Canada Gazette*, to the following effect:—

Declaring that a state of war with the German Reich exists and has existed in Canada as and from September the tenth.

The Committee concur in the foregoing recommendation and submit the same for Your Excellency's approval.

(iv) *Proclamation that a State of War exists between Canada and the German Reich, September 10, 1939*

Text from *The Canada Gazette*, 1939, no. 12, p. 793

Whereas by and with the advice of Our Privy Council for Canada We have signified Our Approval of the issue of a Proclamation in the *Canada Gazette* declaring that a State of War with the German Reich exists and has existed in Our Dominion of Canada as and from the tenth day of September, 1939.

Now, therefore We do hereby declare and proclaim that a State of War with the German Reich exists and has existed in Our Dominion of Canada as and from the tenth day of September, 1939.

Of all which Our Loving Subjects and all others whom these presents may concern are hereby required to take notice and to govern themselves accordingly.

(b) DEPARTMENTAL INSTRUCTIONS

- (v) *Memorandum (Series D. No. 86, Suppl. No. 1) of the Commissioner of Customs to Collectors of Customs and Excise concerning Exportation of Arms, Ammunition and Implements of War to Spain, July 31, 1937*

Text from manuscript

By Order in Council (P.C. 1938)<sup>1</sup> passed on the 30th of July, 1937, under the authority of Section 290 of the Customs Act,<sup>2</sup> it is ordered that the exportation, directly or indirectly, of any of the articles enumerated and described in the Annex thereto from Canada to Spain, that is to say, the territories of the Peninsula, the Balearic Islands, the Canary Islands, and towns and territories under Spanish sovereignty in Africa, is prohibited.

Under the Order in Council referred to this prohibition came into force on the 31st of July, 1937.

The Annex referred to is that published with Order in Council (P.C. 1838) of 30th July, 1937,<sup>3</sup> in departmental Memorandum Series D. No. 86.

- (vi) *Memorandum (Series D. No. 86, Suppl. No. 2) of the Commissioner of Customs to Collectors of Customs and Excise concerning Regulations governing the Issuance of Permits for the Exportation of Arms, Ammunition and Implements of War, August 12, 1937*

Text from manuscript

The following regulations were established by Order in Council (P.C. 1889) of 6th of August, 1937,<sup>4</sup> governing the issuance of permits for the exportation of Arms, Ammunition, Implements or Munitions of War under Order in Council (P.C. 1838) of the 30th of July, 1937,<sup>5</sup> as published in Memorandum Series D. No. 86.

<sup>1</sup> Above, B(ii).

<sup>4</sup> Above, A(iv).

<sup>2</sup> Above, A(ii).

<sup>5</sup> Above, A(iii).

<sup>3</sup> Above, A(iii).

Collectors of Customs and Excise will be guided by the instructions on Permit forms and, in addition, they are requested to endorse on the original copy of the Permit as it passes through their hands any differences in the number, weight or value of any of the articles as stated on the Permit compared with the actual number, weight or value exported.



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